

**UPDATE 1-INTERVIEW-US farm-cut fight far from over-Vilsack**

By Charles Abbott
545 words
27 March 2009
15:57
Reuters News
English
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(Vilsack says meat-recall powers need review; paragraphs 14-17 new)

WASHINGTON, March 27 (Reuters) - The fight to cut U.S. farm subsidies is just beginning in Congress despite a committee vote against a \$250,000 a year cap on payments, a limit supported by the White House, Agriculture Secretary Tom Vilsack said on Friday.

"Let's see where things end up," Vilsack said during an interview with Reuters. He said deficit hawks in Congress would press for cuts and there are many ways to reach the goal of focusing farm subsidies on family farmers.

"I think there will be discussions about crop insurance. There will be discussions about a wide range of things within the ag budget. The process is just starting."

The White House says it wants to "close the loopholes that allow mega farms to get around payment limits."

One step toward that goal, Vilsack said, was a plan announced on March 19 for the Agriculture Department to check with the Internal Revenue Service to see if people are eligible for farm payments.

"It's going to be a relatively small number of people that are going to be checked," said Vilsack. He put the figure at one-quarter of 1 percent of recipients. USDA says it will not receive actual tax data for a farmer.

But nine Republicans on the House Agriculture Committee say it is unfair that all farmers will be required to sign a waiver that allows the IRS to share information with USDA.

"Congress never intended such a blatant violation of privacy," they said in a letter to Vilsack this week.

Farm groups have said little on the issue. It would be a black eye to appear to defend cheaters, said one lobbyist.

The 2008 farm law is the first to ban payments to the wealthiest Americans. It bars crop subsidies to people with more than \$500,000 in adjusted gross income from off the farm. People with more than \$750,000 AGI from agriculture are ineligible for the direct-payment subsidy.

President Barack Obama proposed \$16 billion in cuts over 10 years in crop supports and crop insurance subsidies, including a \$250,000 cap on annual payments.

There is wide opposition in Congress to the cuts. On Thursday, the Senate Budget Committee defeated a \$250,000 a year cap proposed by Iowa Republican Charles Grassley.

While the Senate Budget Committee rejected a payment cap, it approved an amendment to reduce crop insurance outlays by \$350 million over five years. It opens the possibility of a debate this spring on agricultural cuts, depending on the final terms of Congress' spending blueprint.

Vilsack also said:

--the food safety group created by the White House should consider whether USDA should have stronger meat-recall power.

--he is willing to meet opponents of a mandatory traceback system. "We want a system that works," he said. Participation is low in the current voluntary system.

--other nations must remove barriers to their markets if the United States is to support a world trade pact that would cut domestic farm subsidies. (Editing by Marguerita Choy)

USA-VILSACK/ (UPDATE 1)|LANGEN|G|RBN|ABN|C|GRO|SOF|MTL

Document LBA0000020090327e53r001of

**REUTERS****CORRECTED-Colombia says sends contaminated rice back to U.S.**

134 words

30 March 2009

13:29

Reuters News

English

(c) 2009 Reuters Limited

(Corrects the number of tonnes of rice)

BOGOTA, March 28 (Reuters) - Colombia returned 5,500 tonnes of rice to the United States after finding it was contaminated by a fungus that could have spread in the Andean country's farm sector, the government said on Saturday.

Colombia's ICA agricultural institute also said it will send 1,000 tonnes of rice back to Guyana for the same reason. The fungus was identified by authorities as the *Tilletia* variety.

The shipments had been received by Colombia at its Caribbean port of Barranquilla.

In December, Colombia stepped up rice imports as a measure to control prices for domestic consumers. (Reporting by Bogota newsroom)

COLOMBIA-USA/RICE (CORRECTED)|LANGEN|ABN|C|GRO|MTL|SOF

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103

Food Aid Flexibility, Overseas Investment Up for Panel Consideration

By Adam Graham-Silverman, CQ Staff

The Senate Foreign Relations Committee plans to approve a bill Tuesday aimed at spurring a “green revolution” to combat global food insecurity, in part by loosening restrictions on using U.S. aid to buy food overseas.

The legislation (S 384) would authorize \$500 million for a new emergency food assistance fund that could be used to buy food in the affected region instead of buying it in the United States and shipping it overseas. Critics say that system costs too much, takes too long to provide aid and depresses local prices when U.S. products arrive.

The bill, by panel ranking Republican Richard G. Lugar of Indiana, also would create a global food “czar” position at the White House and authorize \$7.75 billion for agriculture research and exchange programs through fiscal 2014.

“We can bring America’s dedication to science, innovation, technology and education together to lead an effort devoted to overcoming the obstacles to food security,” Lugar said upon introducing the bill last month.

To keep up with rising population and an expanding middle class in countries such as China and India, farmers will have to double their food output by 2050, Lugar said. At the same time, he said, the share of U.S. development spending devoted to agriculture dropped from 25 percent in 1980 to 1 percent in 2003.

Anti-hunger activists support Lugar’s effort to allow local purchase of food, but past efforts have run into farm-state interests that support requirements to buy U.S. crops. The bill would give the president discretion to use the fund to meet “unexpected urgent food assistance needs.”

OPIC Reauthorization

The panel also will mark up a bill (S 705) to reauthorize the Overseas Private Investment Corporation (OPIC) through fiscal 2013.

The program, which turns a profit, directs private capital to developing countries by offering U.S. businesses and lenders political risk insurance and investment financing.

OPIC’s temporary reauthorization expires at the end of fiscal 2009.

The House passed a long-term reauthorization in the 110th Congress, but it stalled in the Senate when Tom Coburn, R-Okla., objected to language to encourage projects to address greenhouse gas emissions. That language was not included in this bill, in part because OPIC already examines its projects’ greenhouse gas impact and also because of expectations that the Obama administration’s plans for climate change legislation would impose a similar requirement.

Coburn also argued that the program failed to target the world’s poorest countries, lacked accountability and gave too much in loans to large corporations.

The reauthorization would bar OPIC assistance to companies that have loans to, or sizable investments in,

the energy sector of any state that sponsors terrorism. It would aim to reward countries with oil, gas or gems that have adopted transparent accounting systems.

The markup is scheduled for 2:15 p.m. Tuesday in S-116 Capitol.

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Processor recalls 3,000 pounds of meat

By SHAWN CETRONE

The Rock Hill Herald

353 words

31 March 2009

The State (Columbia, SC)

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English

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YORK — Federal officials have closed a York meat processing plant and requested a recall of nearly 3,000 pounds of meat that were incorrectly labeled.

U.S. Department of Agriculture spokeswoman Amanda Earnich said Monday the recalled meat from Halal International Processing poses minimal health risk to consumers.

There have been no reports of illness due to consumption of the meat, the **USDA** said in a release.

The recall includes 2,925 pounds of beef, chicken, goat and lamb products sent to retailers in North Carolina and South Carolina. The company operated during hours that prevented some inspections.

All frozen meat and poultry products produced between April 3, 2008, and March 7, 2009, with the mark "EST. 19825" on the **USDA** inspection sticker are subject to recall.

Halal International already has retrieved most of the meat, said company manager Yusef Suleiman, and expects to reopen today.

"There's no risk to the public from any of the meat products that are out there," Suleiman said. "We had a labeling and a documentation issue, which we have resolved."

Halal International is a small firm that processes fewer than 5,000 pounds of meat each week, Suleiman said. Most of the meat is sold to ethnic grocery stores and mom-and-pop shops in the Charlotte area.

The company caters primarily to the Muslim community. The plant performs halal slaughter, an Arabic practice in which animals are blessed and said to be humanely killed.

The toll-free **USDA** Meat and Poultry Hotline, at (888) MPHOTline, (888) 674-6854, is available in English and Spanish and can be reached from 10 a.m. to 4 p.m. (Eastern Time) Monday through Friday. Recorded **food safety** messages are available 24 hours a day.

NEED TO KNOW MORE?

For answers to **food safety** questions, go to the **USDA Food Safety** and Inspection Service's Web site, AskKaren.gov, or call (888) 674-6854 from 10 a.m.-4 p.m. Monday through Friday. Recorded **food safety** messages are available 24 hours a day.

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**UPDATE 1-INTERVIEW-Vilsack open to mandatory livestock traceback**

By Christopher Doering
546 words
27 March 2009
16:32
Reuters News
English
(c) 2009 Reuters Limited

(Adds comments from cattle group in paragraphs 10-12)

WASHINGTON, March 27 (Reuters) The United States may need to consider mandatory farmer participation in a livestock traceback system, but insight must first be gathered from opponents of the idea, Agriculture Secretary **Tom Vilsack** said on Friday.

"There is very serious dissatisfaction with the current system" among lawmakers who are convinced the voluntary process is not working as well as it should be, **Vilsack** said in an interview with Reuters.

"What I'm hoping to do is get a system, whether it's voluntary or mandatory ... that works," he said.

"It may very well be that you need a mandatory system, but in order for it to work you have to have people understand why you are doing it and understand that they have the opportunity to have their concerns voiced and listened to."

Ultimately, he said whatever path livestock tracking takes, it must protect the country from market disruptions and homeland security threats. It also must be supported by a majority of the people who are willing to comply with the system rather than find a way around it.

The current national animal identification program is intended to track the home farm and herdmates of sick animals within 48 hours of an animal disease outbreak. Farmers are not obliged to participate in the program, which was embraced by USDA after the discovery of the first U.S. case of mad cow disease in 2003.

Some lawmakers have questioned the effectiveness of the program, which has consumed \$128 million over five years to create a voluntary system.

House Agriculture Committee Chairman Collin Peterson said earlier this month he supported a mandatory system as a way to avoid devastating losses from virulent diseases.

Cattle groups have been cool to USDA's traceback plan. They fear high costs for equipment to carry out the system, question whether USDA can keep the information confidential and worry about their cattle intermingling on public lands.

The National Cattlemen's Beef Association, which supports a voluntary program, met with **Vilsack** earlier on Friday.

He "assured us that the (traceback system) must be workable for ranchers," said NCBA President-elect Steve Foglesong.

"We understand the need for an animal identification plan that is an effective disease surveillance and monitoring tool, but it must also serve the needs of our livestock producers on public and private lands."

Vilsack said USDA would meet with groups concerned about a mandatory system to register their concerns and work toward developing a system they would be more willing to embrace.

"I'm hopeful that we can bring people in and lay out on the table what are your concerns about a mandatory

system," said **Vilsack**, a former Iowa governor. "Let's work through them and see if we can get to a point where we can then fashion a mandatory system that would do the job and would work."

About 35 percent of livestock producers have registered their premises under the voluntary program. Relatively few livestock markets or slaughterhouses are enrolled. (Reporting by Christopher Doering; Editing by David Gregorio)

USA-VILSACK/TRACEBACK (UPDATE 1)|LANGEN|ABN|C|GRO|E|RBN|U|MTL|SOF|G

Document LBA0000020090327e53r001q8

Farmers to cut US planting

[Print](#)

By Javier Blas in London

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US farmers are set to sow fewer acres this spring with crops such as corn and wheat, breaking a string of four years of increases in a move likely to support agricultural commodities prices through the economic crisis.

The US Department of Agriculture will reveal its first acreage estimate on Tuesday in its Prospective Plantings report. Because the country exports half the world's corn, a third of world soyabeans, and a fifth of the world's wheat, changes in acreage and hence in output have a huge impact in global food prices.

Traders anticipate a drop in almost every major crop with the exception of soyabean, bringing the country's cropland to about 248m acres, down 2 per cent from last year. Farmers are planting less because reduced profitability on the back of current low prices and high cost for fertilisers.

The overall acreage fall would be the first since 2005 when US farmers started to expand their cropland to cash in on high prices brought by strong consumption from the nascent ethanol industry and developing countries such as China.

Ranchers are also expected to cut sharply their production of meat and poultry this season, the first simultaneous drop in animal protein output since 1973.

Although the drop in cropland and meat output will support prices, analysts were unanimous in warning that the deep global economic crisis' impact on demand would cap any spike and that a repetition of last year's record prices was unlikely.

The key US crop is corn and traders forecast a drop in planting to 82-84m acres, down from last year's 86m and 2007's peak of 90.5m. "It appears certain that 2009-10 US corn balance sheet forecasts will tighten significantly," said Lewis Hagerdon, an agricultural commodities strategist at JPMorgan.

Corn prices have fallen to \$3.90 a bushel, lower than last June's record high of \$7.65, because of lower demand. But prices remain above their 10-year average of \$2.75 and the prospect of lower supplies is keeping forward prices for the next crop season at a premium above current spot levels.

Traders said farmers faced high cost for fertilisers, a critical input for corn, and were likely to plant alternatively more soyabean, which requires less fertiliser. Traders see soyabean's acreage above 80m acres, up from last year's 75.7m. Cotton planting is likely to hit its lowest level in 26 years as US farmers move away from the fibre amid low returns.

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Dow Jones Newswires

Ag Equipment Sales Seen Hit By US Farmers' Crop Choices

By Bob Tita
Of DOW JONES NEWSWIRES
471 words
30 March 2009
16:02
Dow Jones News Service
English
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CHICAGO (Dow Jones)—U.S. farmers' crop choices this year are likely to reduce demand for new farm equipment, according to industry experts and financiers.

Tuesday's U.S. Department of Agriculture report on spring planting intentions is expected to show an increase in soybean acres this year over corn.

Soybeans don't require the nitrogen fertilizer needed to grow corn, thereby reducing farmers' production expenses and putting less wear and tear on their tractors.

"Farmers are going to be backing off the big purchases they've been making," said Charles Yengst, president of consultants Charles Yengst & Associates.

"They can easily get along for another year or two" with the equipment they are already using, he said.

Sales of tractors and combines in the U.S. this year are expected to fall by 5% to 15% from 2008, according to industry estimates, ending the record rise in revenue and profits experienced by machinery makers Deere & Co. (DE), CNH Global N.V. (CNH) and Agco Corp. (AG).

The anticipated pullback mirrors the expected decline in cash receipts from farming this year and farmers' efforts to avoid exposure to additional debt.

The **USDA** expects cash receipts to fall about 9% from 2008 to \$295 billion, largely because of lower commodity prices.

The price of corn, which climbed last year on demand from overseas markets and the **ethanol** industry, is down 50% from its record peak last summer. But at almost \$4 per bushel, corn is still above its 10-year average price and nearly double the lows of a few years ago.

The steep price drop has taken farmers out of the mood for buying new equipment, industry observers said. The credit crunch in the broader economy is providing an additional disincentive.

"There's a fear of financing new equipment," said Heiko Ihle, an analyst at Gabelli & Co. "These are not people who live leveraged lives. The average **farmer** is extremely conservative."

By all accounts though, farmers' continue to have adequate access to credit, and their debt-to-asset ratios are the lowest in 40 years.

"The general consensus is that we are seeing less demand [for credit] in the first quarter [compared to 2008]," said John Ryan, president and chief executive of Rabo AgriFinance, a U.S. arm of the Dutch Rabobank.

The strong financial condition of U.S. farmers isn't shared by farmers elsewhere in the world, however.

Currency issues, reduced access to credit and smaller crop yields because of drought are weighing on equipment sales in South America and Europe, where Agco and CNH hold large shares in the equipment market.

National Journal Online

NationalJournal.com

Saturday, March 28, 2009

Q&A: TOM VILSACK

**Vilsack: Farming
For The World**THE AGRICULTURE SECRETARY DISCUSSES
FARM PROGRAMS, BIOFUELS AND CLIMATE
CHANGE.

Saturday, March 28, 2009

by Jerry Hagstrom

The Agriculture Department is best known for distributing farm subsidies, but Secretary Tom Vilsack, a former Democratic governor of Iowa, said in a March 17 interview with *National Journal* that he is determined to maximize USDA's powers to aid hungry people and develop renewable energy.

Vilsack was born in a Pennsylvania orphanage and adopted by parents who had addiction problems, and he has struggled with his own weight since childhood. Vilsack has said he learned how difficult farming could be when he joined his father-in-law's law practice in Mount Pleasant, Iowa, and did farmers' taxes and helped them with legal problems during the farm crisis of the 1980s.

Vilsack, a Democrat, served two terms as governor of Iowa beginning in 1998 and ran for president in 2008. He said that his No. 1 goal is fulfilling President Obama's mandate to end childhood hunger by 2015 and improve children's diets. Their second goal, he said, is to make sure that America's farmers, ranchers, and foresters play a significant role in renewable-energy production. Edited excerpts of the interview follow.

NJ: You've been Agriculture secretary for almost two months. How do you like the job?

Vilsack: This is a thrilling opportunity to participate in a time in American history that is going to chart a new and exciting and different future for the country despite our challenges.... This is about creating a sustainable economy for those who farm and ranch, it's about creating vibrant and exciting communities in rural America that are linked to the entire world through technology.

It is about maintaining the confidence level that Americans have come to expect in their food supply. It is about using agriculture, our knowledge, our technical assistance, and our resources to put a different face on America to the rest of the world. And it's about USDA's partnership with other agencies of government to tackle the health care crisis by focusing on more nutritious eating, especially among our children.

NJ: You don't have a deputy or undersecretaries in place yet. Has that been hard?

Vilsack: I'm just anxious to be progressive and aggressive, and it's hard to do when you are by yourself. Taking nothing away from the career folks, who are doing a great job of keeping the trains running on time, we obviously want to move in a faster and different direction.

NJ: The Agriculture Department has a long history of racial discrimination, with many black farmers complaining that historically they did not get the same level of service in the South. And a number of department employees from various racial and ethnic backgrounds have filed discrimination cases. After your ethics training, you said you had decided to make civil rights a priority. You traveled to Georgia to speak to black farmers, and you attended the American Indian farmers' conference in Washington. What led you to that emphasis?

Vilsack: This department has such a rich history. The fact that it was established by Abraham Lincoln creates a mandate for each succeeding administration to protect and to add to his legacy of emancipation. So many other aspects of America have done a lot of work to open up

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opportunity, and with the election of the first African-American president, it seemed absolutely appropriate and timely to resolve multiple-decades-long complaints. And I received encouragement to focus on that from [former Agriculture] Secretary [Dan] Glickman when I met with him in preparation for this job. [Former] Secretary [Ann] Veneman also encouraged it.

NJ: When you presented a budget proposing cuts to farm programs while increasing spending for child nutrition, Congress and farm groups had a swift and negative reaction. Did it surprise you?

Vilsack: You have to respect the fact that we'd had a very extensive discussion and debate about the farm bill, and folks had worked really hard on it. Farm groups obviously were very concerned about maintaining an appropriate safety net that you have to have, especially during difficult times. It was difficult when you are putting together a budget in a really short time. It generally takes months -- and you have weeks and you don't have staff and you don't have undersecretaries. It didn't surprise me at all.

NJ: You have a lot of fans in the farm groups and in Congress. They believe that the budget proposal came from the bowels of the Office of Management and Budget.

Vilsack: I'm not going to get into where it came from. It's very clear what the president's priorities are, and they are good priorities. He was very clear to me when he hired me that he wanted to improve nutrition for America's children -- ending hunger among children by 2015 and also responding to the obesity crisis that we have with our youngsters. So, that means we had to put more money into nutrition. The second thing he said to me was, we want to continue to push bioenergy, biofuels, renewable fuels, and renewable energy and we expect you to do that in this department, so we put more resources into the [renewable-energy] program in our budget. There may be different ways, there may be better ways to structure the details of that budget, but there will be no mistake and no compromise on the goals and on the priorities. It is a process. We have branches of government for a reason.

NJ: President Obama has promised to end childhood hunger by 2015 and improve children's diets. You've proposed spending \$1 billion more on child nutrition, but haven't said how you would spend the money. Among childhood nutrition advocates, there are splits over whether additional money should be spent to increase access to food through programs such as school breakfast and summer feeding or whether more money should be spent to buy fresh fruits and vegetables and local food purchases. How would you divide this up?

Vilsack: Both sides of this discussion are correct. You have to continue to improve access and you have to figure out a way for those meals to be more nutritious and you have to figure out what happens when youngsters are not in school so they continue to eat nutritious food. It is a combination of additional resources and a reallocation of existing resources. Are there better ways of spending and investing the monies that we currently have? If there are, those need to be instituted.

I believe our budget will reflect the view that there are administrative savings that can be had by making the process more streamlined, by reducing paperwork and burdens on local schools in exchange for which they would be required to purchase more fruits and vegetables and extend access. I also think we need to be creative about the money we are spending and investing. Are there better ways to spend the money in the summer months, during weekends? Are there very popular and well organized and properly working programs that need to be replicated and modeled? I think we have those. We need to go where the kids are in the summertime, not expect them to come to us. So we are going to look at creative ways to do that....

It's also about additional resources. There are issues. Congress has issues with indirect costs. That is also an appropriate discussion point. The money we are providing for nutrition needs to be used for nutrition. It isn't designed -- notwithstanding the fact that school budgets are strapped, it is not designed to fund other important work of the school district. That's state and local's responsibility.

NJ: You recently noted that the Office of the U.S. Trade Representative and the State Department want to make sure that whatever aid you provide to the troubled dairy industry does not interfere with trade agreements. Have you figured out what you can do? How are your relations developing with those agencies?

Vilsack: I obviously have a profound respect for Secretary [of State Hillary Rodham] Clinton. We have talked briefly about how our departments can be better utilized. I know [U.S. Trade Representative] Ron Kirk well. I had a lot of respect for the work he did as a mayor. We share that in common, although his town [Dallas] was a little bit bigger than the one I was mayor of

[Mount Pleasant, Iowa]. The reality is that sometimes problems can be solved by the department alone and sometimes they require interagency conversation; and in a new administration, you have to feel your way around those jurisdictional issues.

We are going to be able to provide help to the dairy industry based on what USDA's powers are without necessarily consulting with State and USTR, by purchasing surplus commodities and redistributing them through the school lunch program and food banks, and also using them to supplement what we do with [the] McGovern-Dole [international school feeding program], all of which is important and appropriate and necessary in responding to a very serious crisis in the dairy industry. What can be done beyond that will require consultation with the trade representative and the State Department. It's possible that the work we are going to do within USDA will be a sufficient level of help to get a lot of the dairy folks through a really tough time.

NJ: Do you think the dairy producers are going to have to go to Congress for help?

Vilsack: The dairy industry has done a really good job of anticipating that things like this can happen. They have put themselves in a position with their program within the dairy industry itself to allow for a glide path for a gradual reduction in the herd size through creative loans and so forth to farmers. I think you are going to see an engaged industry, I think you are going to see an engaged USDA. We'll take a step back and see whether other steps are required. I don't think that we can say for sure today they are going to require congressional assistance. There's also a variety of other programs within the safety net that we are putting together that might be of assistance, that might be helpful.

NJ: President Obama has announced you and the Health and Human Services secretary would head up a food safety working group. How do you expect the food safety efforts to evolve?

Vilsack: The president appropriately responded in an aggressive way to the concerns Americans have about food safety. Americans are becoming engaged consumers, they want to know where their food comes from, they want to know what's in their food, they want to know how their food has been processed and where it's grown. This is an extension of that desire to know and to be confident that when they feed food to their families it is safe and secure.

Once Gov. [Kathleen] Sebelius is confirmed... and once the [FDA] commissioner is confirmed, I believe we will get together and begin to establish the parameters of this working group, consistent with the President's directive. It is not an easy discussion because of the number of agencies involved, as many as 15 agencies. Bifurcation between Health and Human Services and USDA further complicates it. The size and scope and the magnitude of the number of establishments involved in handling our food complicate it. And the fact that some of the problems that occur with foodborne illness are not a result of how the food was processed or marketed or sold or shipped, but how it was prepared. So there is an education component of all this.

We have to be mindful of the fact that we have trading partners and they are going to be keeping an eye on what this all means. I had a conversation with Secretary Napolitano just the other day about the important work that APHIS [Animal and Plant Health Inspection Service] can do and should do and ought to do in continuing training for Customs folks so that as items come into this country, we're certain they are as safe as they can be.

NJ: How do you feel your efforts are going to make sure agriculture is at the table in important administration decision making?

Vilsack: I would point out that in [Vice President Joe Biden's] middle class task force, we are at the table, we are the co-lead with HHS on food safety, we are at the table, it is very clear that the vice president's effort to remind people with the stimulus, that agriculture is front and center because we are in a position to get our resources into the economy more quickly, through the SNAP program [Supplemental Nutrition Assistance Program], through the Forest Service, through Rural Development we're putting people to work today, we are putting hundreds of millions of dollars out into the economy today. We don't have to do what many of the other departments have to do because they are new programs for them. We don't have to develop new rules and regulations. We can use existing programs....

I think people recognize we're in town and that we have a lot of roles that can be played that are important in creating this economy, putting people back to work, making sure we have a much healthier nation and making sure that we are really focused on the President's focus on energy and breaking that dependence on foreign oil.

NJ: The agriculture community seems divided over cap-and-trade [pollution controls] and whether agriculture would benefit or simply end up with a higher cost of production. Are you confident that climate-change measures and cap-and-trade can work to agriculture's benefit?

Vilsack: It's certainly understandable that people are a little concerned about it. Most of the conversation on cap-and-trade is focused on the energy industry and on manufacturing, where there will likely be additional costs or a reallocation of resources.

Agriculture is a little unique and a little different. First, it is not quite the carbon manufacturer or carbon dioxide generator that those other industries are. We are more focused on nitrogen and on methane because of the nature of agriculture. We are somewhere between 7 and 10 percent of the problem, a very small part. It involves how you farm and what you farm and what you use to farm and what machinery you use and what energy sources you use and what you feed livestock and what you do with manure produced by livestock and what you do with gases produced by livestock. So, we have a job to do to educate people and make them far more comfortable with precisely what it does mean for agriculture and forestry. As this discussion unfolds over the next seven or eight months in this country, as we head toward Copenhagen and the United States taking a leadership role as the president envisions, people are going to become more aware of what agriculture can do, what the costs are, and what the opportunity side is.

I think what we'll find is, assuming that carbon is priced, which I suspect it will be in a carbon-tax or a cap-and-trade system, you're going to see agriculture have opportunities. It all depends on the price of carbon, but I think those opportunities will reassure people that this is not going to be a net negative for agriculture, it's going to be a positive for agriculture.

NJ: House Agriculture Committee Chairman Collin Peterson, who has talked about reorganizing USDA, said after lunch with you last week that he believes you will take an interest in organization and management issues at USDA. What views on government management do you bring from your experience as governor of Iowa? What are your views on organization and management at USDA so far?

Vilsack: I've looked at the 38 pages of performance measures, and I think we can improve on them and tie them specifically and directly to results so that we are in a position that we are able to tell folks the \$100 billion they are investing each year at USDA is creating the kinds of results that people want, it is creating a safer food system, it is creating more opportunities for farmers and ranchers to prosper, it is creating more vibrant rural communities and jobs, it is creating a Forest Service that helps to reduce America's carbon footprint and acts as a reservoir for water for 16 million Americans and creates recreational and business opportunities for others.

Tying what we do to specific, articulated results is a very important function of what the management side of this agency has to do. To do that not only requires a commitment by leadership to make that happen. The president has been very clear in his expectation in that respect. It also requires the technology to do it. In talking with the chairman I understand that he understands the need for modern technology for us to do our job and for us to do our job in a more convenient way for the people we serve. It is frustrating to farmers and ranchers who want to be able to access information that we are still in a more paper orientation than a technology orientation. It is also frustrating, it seems to people it takes forever to implement the farm bill and the Recovery and Reinvestment Act because we have to rewrite old, old, old, old software so that it is available to calculate the new programs.

The third component of this is to recognize strategically that we have a workforce that works hard every day but in comparison to the general workforce is a little older. Fifty-four percent of our workers are over the age of 45. The general population is 41 percent. We have to look forward and say to ourselves what does this mean, what do we have to do in terms of institutional knowledge and, as these folks retire and they will, what does that mean for USDA?

NJ: John Clifford, the deputy administrator of the USDA Animal and Plant Health Service recently testified before the House Agriculture Committee about the benefits of a mandatory national animal identification system in preventing the spread of animal disease, but many ranchers oppose a mandatory system. What is your thinking on mandatory animal identification at this time and whether it should be mandatory?

Vilsack: Chairman Peterson certainly understands from a Homeland Security and mitigation of risk standpoint the importance of having some kind of identification system. We want to be supportive of the chairman's efforts, but I think it will be important for us to create a process by which those who have serious concerns about this are in a position to articulate those

concerns and to work with us to resolve or reduce them.

Those who are concerned about the government's misuse of information, those concerned about privacy and confidentiality, those who are concerned that there is some motive beyond the obvious of making sure that we can mitigate the consequences of a disease because we know precisely where it started and we can quarantine effectively -- it is up to us to create a participatory process that brings people to the table. Let's work through that process and get us to the point that when we have a system, that people are not working to undermine the system or figure out a way around the system. Let's try to figure out a way in which people can embrace it.

NJ: When you speak about the 125,000 largest farmers who produce three-quarters of our food supply, you speak more with respect than with personal fervor. You must have known big farmers in Iowa. What is your view of these farmers and their role?

Vilsack: [Big farmers] are obviously important. They produce 75 percent of the food that we eat and they produce the capacity to export, which allows us to have a trade surplus [in agriculture]. All farmers and all ranchers along the spectrum are important and none are more important or less important.

The folks who are small producers are important because they are the folks who are struggling to populate rural Iowa and rural America, and are struggling to make sure we eat nutritiously. They are the folks who are creating a sense of community with the farmers markets. The people in the middle -- God, my heart goes out to them -- those are the folks who are struggling every single day to get that pencil to be as fine a point as they possibly can so they stay in business and keep their kids on the farm.

The larger producers -- we will really need to provide greater assistance in areas of biotechnology, in terms of export assistance. It's tough to talk about biotechnology in an emotional way unless you tie it to feeding the world, which I'm happy to do. Everybody's important.

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USDA UNITED STATES DEPARTMENT OF AGRICULTURE

USDA secretary favors strong link between performance measures and goals

By Jerry Hagstrom CongressDaily March 27, 2009

Agriculture Secretary Tom Vilsack believes results-oriented management is central to running his department effectively -- and technology and federal employees are essential to that effort.

"Tying what we do to specific articulated results is a very important function of what the management side of this agency has to do," Vilsack said in a March 17 interview with *Government Executive*.

"To do that not only requires a commitment by leadership to make that happen, the president has been very clear in his expectation in that respect."

The former Iowa governor, who became Agriculture secretary in January, said he wants to improve performance measures to achieve results the public expects, including a safer food safety system, more vibrant rural communities and jobs, and greater opportunities for farmers and ranchers to prosper.

Vilsack also said that he and House Agriculture Committee Chairman Collin Peterson, D-Minn., both understand that achieving good performance at USDA requires modern technology. "It is frustrating to farmers and ranchers who want to be able to access information that we are still in a more paper orientation than a technology orientation. It is also frustrating that it seems to people it takes forever to implement the farm bill and the recovery and investment act, because we have to rewrite old, old software so that it is available to calculate the new programs."

The third component of managing USDA well, Vilsack said, is to recognize that the department's workforce is aging and that many employees will retire during the next few years. Vilsack pointed out that 54 percent of USDA's workforce is older than 45, compared with 41 percent of workers in the general population who are over 45.

"We have to look forward and say to ourselves, 'What does this mean?'" he said. "What do we have to do in terms of institutional knowledge? What does that mean for USDA?"

Peterson noted in a recent interview that Vilsack took a great interest in management when he was Iowa governor and eliminated several agencies during his tenure. Peterson, who believes that management at USDA has been deficient for years, would like to look into reorganizing the department. The last restructuring at USDA occurred in 1994 during the Clinton administration.

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USDA UNITED STATES DEPARTMENT OF AGRICULTURE

Dow Jones Newswires

Rabobank To Acquire \$354M Loan Portfolio From Farmer Mac

295 words
30 March 2009
10:38
Dow Jones News Service
English
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DOW JONES NEWSWIRE

Dutch financial giant Rabobank Group has purchased \$354 million in **agricultural** loans from the Federal **Agricultural** Mortgage Corp. (AGM), better known as **Farmer Mac**, as it invests in U.S. **agriculture** to expand its business.

The purchase of about 1,000 **agricultural** loans is one of the first deals under new Rabobank U.S. head John Ryan.

"This transaction further advances our mission to be a premier **agricultural** lender in America," said Ryan, the president and CEO for Rabo AgriFinance, adding the deal provides **Farmer Mac** with extra liquidity.

Rabobank handled the acquisition through its U.S. **agricultural** finance arm and a California community bank.

For **Farmer Mac**, the sale comes as the government-chartered company looks for ways to stabilize itself and meet regulatory requirements. **Farmer Mac** was created by Congress in 1988 to buy mortgages and other loans that banks make to farmers and ranchers in rural America. **Farmer Mac** then repackages the loans into asset-backed securities. That business model has come under pressure this year as credit markets have seized up.

Two weeks ago, **Farmer Mac** made Michael A. Gerber's appointment as president and chief executive permanent five months after he took the job, on the heels of a lending group's rescue of the government-chartered company. Gerber, who had been a member of **Farmer Mac**'s board since June 2007, succeeded Henry D. Edelman, who was appointed to the roles in 1989. Edelman left the posts as part of a shuffle in October, when a group of **farm** lenders injected \$65 million of fresh capital into the company.

-By Mike Barris, Dow Jones Newswires; 201-938-5658; mike.barris@dowjones.com [03-30-09 1038ET]

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**Rabobank buys \$354 mln in U.S. agriculture loans**

By Carey Gillam
377 words
30 March 2009
12:19
Reuters News
English
(c) 2009 Reuters Limited

KANSAS CITY, Mo., March 30 (Reuters) - Rabobank Group said on Monday it will buy \$354 million in U.S. agricultural loans from the Federal Agricultural Mortgage Corporation in a bid to extend its reach into what remains a relatively healthy segment of the U.S. economy.

The acquisition was made by Rabobank subsidiaries Rabo AgriFinance, which is based in St. Louis, Missouri, and Rabobank, N.A., a Roseville, California-based community bank.

Rabo AgriFinance CEO John Ryan said the deal was part of an expansion of the company's investment in U.S. agriculture. Rabo AgriFinance has about \$5 billion in assets and is already one of the largest agricultural lenders in America.

"We have a good working knowledge of this portfolio," Ryan said. "For a significant portion, we were already doing the servicing ourselves."

Ryan said a percentage of the portfolio was considered troubled, but he would not disclose the amount and said, overall, the loan portfolio was strong.

"This wasn't a fire sale. These are good producers," Ryan said. "We were satisfied with the quality of this portfolio."

The purchase includes about 1,000 agricultural loans of various sizes and terms, located around the United States and originated by many different lenders, including Rabobank.

Federal Agricultural Mortgage Corporation, commonly known as Farmer Mac, is a government-sponsored enterprise offering long-term credit for America's farmers and ranchers.

Ryan said the U.S. agricultural economy remained a bright spot in the U.S. economy and was performing better than many other sectors.

Still, business has dipped in the first quarter of 2009, with lending dropping as farmers and ranchers scale back or delay expansions, he said. Loan restrictions are also tightening.

Ryan cited the dairy and beef cattle industries as among those hardest hit by the recession.

"Things have shifted. I think overall from an ag industry side we haven't been hit as hard as some other industries. But there is impact," said Ryan. "It is next to impossible to escape it quite honestly." (Reporting by Carey Gillam; Editing by Andre Grenon)

RABOBANK-LOANS/[LANGEN|ABN|E|RBN|U|D|C|GRO|MTL|SOF|RNP|DNP|PCO|PCM

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The New York Times**JULY 17**

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PRINTER-FRIENDLY FORMAT
SPONSORED BY**March 31, 2009**

Salmonella in Pistachios Spurs Recall

By ANDREW MARTIN and MICHAEL MOSS

Barely two months after a huge recall of peanut-related products, federal officials said late Monday that a California processor would recall about one million pounds of pistachio products because of concerns about salmonella contamination.

The company, Setton Pistachio of Terra Bella, based in Terra Bella, Calif., decided to recall its 2008 crop after one of its customers, Kraft Foods, found several types of salmonella during routine analysis of the product. Kraft Foods alerted the Food and Drug Administration of its findings on March 24.

So far, no illnesses have been tied to the contaminated pistachios, though authorities were investigating at least two consumer complaints. F.D.A. officials warned consumers not to eat pistachios until the scope of the contamination was clear.

The pistachios were sent in 1,000- or 2,000-pound bags to about three dozen wholesalers, who repackaged them and resold them to other customers, said Dr. David Acheson, the F.D.A.'s associate commissioner for foods. As a result, authorities said the recall was likely to expand as the pistachios were traced to processed foods like ice cream and cake mixes.

The salmonella contamination of pistachios is not related to the recent salmonella outbreak tied to peanut products, which sickened hundreds and led to the recall of more than 3,800 products.

A spokesman for Setton declined to comment, saying the company's own inquiry into the cause of the contamination was continuing. Setton says on its Web site that the California plant is the second-largest pistachio processor in the United States.

Kraft Foods said its inspectors visited the California plant where the pistachios were processed, and found that the plant was not keeping its roasted pistachios separate from the incoming flow of raw nuts. Like other nuts, raw pistachios can carry pathogens that are killed in the roasting process.

Kraft Foods on Wednesday recalled a trail mix containing pistachios marketed by its Back to Nature Foods unit.

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THE WALL STREET JOURNAL.

U.S. News: FDA Warns on Pistachios Amid Salmonella Probe

By Jane Zhang
233 words
31 March 2009
The Wall Street Journal
A2

English
(Copyright (c) 2009, Dow Jones & Company, Inc.)

WASHINGTON -- The Food and Drug Administration asked consumers to avoid eating all products containing pistachios as health authorities investigate a California processing plant that shipped about one million pounds of the nuts possibly contaminated with **salmonella**.

Authorities said no illnesses have been reported. A recall of shelled pistachios and trail mix is under way and more products containing pistachios are expected to be recalled, the FDA said.

The investigation is centered on Setton Pistachio of Terra Bella Inc., the nation's second-largest pistachio processor. Setton, based in Terra Bella, Calif., packaged shelled pistachios in bulk containers, some weighing as much as 2,000 pounds, for about 35 wholesalers, who resold them nationwide, said David Acheson, the FDA's associate commissioner for foods.

A Setton representative couldn't immediately comment Monday night.

Dr. Acheson said the recall isn't related to the **salmonella** outbreak caused by peanut products made by Peanut Corp. of America. That outbreak, which has sickened nearly 700 people and has been linked to nine deaths, appears to be winding down, according to data from the Centers for Disease Control and Prevention.

The FDA wants consumers to avoid all pistachio products because there is no way to know if they are contaminated until authorities have checked the supply chain.

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Los Angeles Times

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From the Los Angeles Times

FDA issues pistachio warning

A California processor is recalling 2 million pounds of the nuts, which may be tainted with salmonella.
Associated Press

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March 31, 2009

Fresno — Federal food safety officials warned Monday that consumers should stop eating all foods containing pistachios while they determine the source of a possible salmonella contamination.

Still reeling from the national salmonella outbreak in peanuts, the Food and Drug Administration said central California-based Setton Pistachio of Terra Bella Inc., the nation's second-largest pistachio processor, was voluntarily recalling a portion of the roasted nuts it has been shipping since last fall. A Setton spokeswoman said that amounts to more than 2 million pounds of nuts.

"Our advice to consumers is that they avoid eating pistachio products, and that they hold on to those products," said Dr. David Acheson, the FDA's assistant commissioner for food safety. "The number of products that are going to be recalled . . . will grow, simply because these pistachio nuts have then been repackaged into consumer-level containers."

Two people called the FDA complaining of gastrointestinal illness that could be associated with the nuts, but the link hasn't been confirmed, Acheson said. Still, the plant decided to shut down late last week, officials said.

The recalled nuts represent a small fraction of the 55 million pounds of pistachios that the company's plant processed last year and an even smaller portion of the 278 million pounds produced in the state in the 2008 season, according to the Fresno-based Administrative Committee for Pistachios.

California is the second-largest producer of pistachios in the world.

The FDA learned about the problem March 24, when Kraft Foods Inc. notified the agency that it had detected salmonella in roasted pistachios through routine product testing. Kraft and the Georgia Nut Co. recalled their Back to Nature Nantucket Blend trail mix the next day.

The FDA contacted Setton Pistachio and California health officials shortly afterward.

By Friday, grocer Kroger Co. recalled one of its lines of bagged pistachios because of possible salmonella contamination, saying the California plant supplied its nuts.

Salmonella, the most common cause of food-borne illness, is a bacteria that causes diarrhea, fever and cramping. Most people recover, but the infection can be life-threatening for children, the elderly and people with weakened immune systems.

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USA TODAY.com

MONEY

Company recalls salmonella-tainted pistachios ; Consumers advised to avoid the nuts, products

Elizabeth Weise

398 words

31 March 2009

USA Today

FINAL

B.1

English

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A California company is recalling 2 million pounds of pistachios distributed nationwide after testing found them to be contaminated with **salmonella**. The Food and Drug Administration is advising consumers to avoid eating all pistachios and foods containing them until it can confirm which pistachios might be affected.

David Acheson, FDA associate commissioner for foods, says there have been no illnesses tied to the pistachios. This step is unrelated to the recall of peanut products tied to a widespread **salmonella** outbreak, he says.

"This was not triggered because of an outbreak, in contrast to the peanut butter. This is an example of FDA getting out ahead of the curve," he says.

The FDA expects the number of recalled products to grow as the investigation continues. It's likely the pistachios were also sold for use in ice cream, baked goods and other products, Acheson says.

The pistachios were processed and distributed by Setton Farms of Terra Bella, Calif., a wholly owned subsidiary of Setton International Foods of Commack, N.Y.

The contamination was discovered when Kraft Foods, which had purchased pistachios from Setton Farms, did routine testing as part of its internal **food-safety** process. Kraft informed the FDA of its findings on March 24 and initiated a recall of the product, Back to Nature Nantucket Blend trail mix, on Wednesday.

A second recall linked to the contaminated nuts came on Friday, when the Kroger supermarket chain of Cincinnati recalled its Private Selection shelled pistachios.

Setton Farms sold its pistachios in 1,000- and 2,000-pound containers to about 30 wholesalers, Acheson says. All were from the 2008 crop, harvested beginning in September. Setton is the second-largest U.S. processor of pistachios.

The FDA has received two consumer complaints linked to pistachios and gastrointestinal problems, Acheson says. But there have been no tests that definitively linked those illnesses to contaminated pistachios.

How the nuts were contaminated is unknown, Acheson says. They were roasted, which should have killed the bacteria, so contamination from raw pistachios in the plant is a possibility that has been suggested, he says.

Setton Farms is working closely with health officials, says Jeff Farrar of the California Department of Public Health. "The firm is already turning around trucks in transit to bring them back into the facility," he says.

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CQ TODAY PRINT EDITION - BUDGET
March 30, 2009 - 9:08 p.m.

112

Pelosi Says House Will Pass Budget This Week; Senate Debate Under Way

By David Clarke and Paul M. Krawzak, CQ Staff

President Obama came to Capitol Hill Monday afternoon to rally House Democrats behind his budget priorities, while the Senate began what will be a contentious week of debate on its budget resolution.

Moderates and liberals in the Democratic Party have expressed some reservations about Obama's tax and spending plans, but leaders appear to have tweaked his proposal enough to get the support needed to adopt a fiscal blueprint in both chambers this week.

"Yes, we will pass the budget this week," Speaker Nancy Pelosi, D-Calif., told reporters after Obama addressed House Democrats in a closed meeting.

Obama's meeting with House Democrats followed a similar trip to the Hill last week, when he pressed Senate Democrats to support the spending plan.

Lawmakers who were in the meeting said Obama spent almost the entire time making a pitch for his budget, which he said Democrats must pass "to show the American people that we can govern," according to one congressman. Party leaders expressed confidence the budget would pass with little resistance, even though some members of the fiscally conservative Democratic Blue Dog Coalition say they have not decided whether to back it.

"I need your vote in passing the budget," a source in the meeting quoted Obama as saying. "If we do that, we will create a sense of momentum that will allow us to do health care reform and education" and other major initiatives, the president told the 150 or so members who came to the caucus during his 14-minute presentation. He then answered questions for about 45 minutes.

He warned them that failure on the budget would have political repercussions for him and the party.

Majority Leader Steny H. Hoyer, D-Md., said Obama described the budget as "part and parcel of the solution of getting this economy moving."

Meanwhile, Republicans in both chambers will look to present a united front this week against Democrats' budget proposals by holding a bicameral conference open to all members on Wednesday.

Republican Complaints

The Senate began consideration of its budget resolution (S Con Res 13) Monday to start the clock on the 50 hours of debate required before a final vote.

Much of the back-and-forth focused on Republican complaints that the budget contains too much spending and debt, while Democrats defended it as paving the way for enactment of the president's proposals on health care, education and energy policy.

The heated debate over whether to include reconciliation instructions, which allow legislation to be moved in the Senate later in the year without the threat of filibuster, also continued. The House resolution (H Con Res 85) includes provisions for the purpose of allowing health care and student loan legislation to move through the fast-track process, but the Senate measure contains no similar language.

Senate Republicans believe this disparity is merely for show and that House leaders' strong push for using reconciliation ensures its inclusion in the final budget.

"It is accepted as common knowledge," said Sen. John McCain, R-Ariz.

Senate Democratic leaders have remained conspicuously noncommittal on the issue, meaning any chance of not including reconciliation instructions in the final budget likely will come down to how hard both Budget Chairman Kent Conrad, D-N.D., and Finance Chairman Max Baucus, D-Mont., push to keep them out of the conference agreement. Both are opponents of including these instructions, warning they would inflame partisan tensions and that the process should only be used for deficit reduction.

But Conrad has given no indication that reconciliation would be a deal-breaker, raising questions about how hard he will fight the idea in conference.

"I've stated my strong preference is not to have reconciliation," he said Monday. "I will argue that position strongly in conference, but I can't control the outcome."

Conrad continues to promote the idea that a second budget resolution could be written later in the year that would include reconciliation instructions if bipartisan negotiations on health care break down.

Mike Johanns, R-Neb., introduced an amendment Monday intended to prevent reconciliation from being used this year to move legislation that would create a "cap and trade" system for reducing greenhouse gas emissions. Eight Senate Democrats have signed a letter opposing reconciliation for this purpose.

The budget resolution is nonbinding but sets the parameters for considering tax and spending bills later in the year. It sets the cap on the annual appropriations bills, and Conrad's proposal would provide \$1.08 trillion in non-emergency funding, when cap adjustments are included, for writing the 12 fiscal 2010 spending measures. That figure is \$15 billion less than the president has proposed.

Conrad warned fellow Democrats about offering amendments to increase the cap, a move that he said could threaten adoption of the budget.

Edward Epstein contributed to this story.

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**Spring snowstorm hurts US cattle, helps wheat**

By Bob Burgdorfer
419 words
30 March 2009
11:01
Reuters News
English
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CHICAGO (Reuters) - Cattle producers on Monday were digging out from a rare springtime blizzard that dumped more than a foot of snow on Friday and Saturday that killed cattle and stressed others from the Texas panhandle to southwest Kansas.

While the storm brought much-needed moisture to dry wheat fields and pastures, cattle feedlot operators worked long hours during the weekend clearing paths so that cattle could be fed.

Even then there were cattle deaths, as some animals succumbed to the storm's strong winds and blowing snow. A Kansas feedlot estimated about 25 cattle died in the storm and a Texas feedlot operator estimated similar losses.

In addition, many cattle lost weight as blowing snow prevented them from eating. The weight loss may either delay cattle marketings or reduce beef production.

"Basically, none of the cattle ate for a 15-hour period," said a feedlot manager in southwest Kansas.

In the Texas panhandle, four trucks loaded with cattle were halted by the weather and the cattle had to be unloaded and herded into open fields in order to survive the storm, said a Texas feedlot operator.

"There were instances of the alleys in feedlots blowing closed. They (feedlot crews) had a tough time getting all the cattle fed," said a Texas cattle industry spokesman.

Drifting snow, amid the storm's 35 to 50 mph winds, made for hazardous conditions, with drifts 12 to 14 feet deep reported at some feedyards.

Many beef processing plants in Texas and Kansas closed on Friday in preparation for the storm.

The Kansas Department of **Agriculture** and cattle industry trade groups on Monday said they were conducting surveys to assess the storm's damage on cattle and **agriculture**.

The widespread snow and rain was considered beneficial for the new hard red winter wheat crop, which has been stressed so far this spring in many areas due to a lack of adequate soil moisture.

The area from southwest Kansas to the Texas panhandle is the heart of the U.S. cattle feeding industry, where more than 5 million steers and heifers are fattened every day on grain. After reaching optimum weight they are sent to packing houses to be processed into steaks and roasts.

The cattle industry is the largest segment of American **agriculture**, contributing about \$64 billion annually to the U.S. economy. (Additional reporting by Carey Gillam in Kansas City; Editing by John Picinich)

CATTLE-STORM|LANGEN|RNA|FUN

Document LBA0000020090330e53u001bd

The Fresno Bee

Central California's Leading Newspaper

LOCAL NEWS

Specialty crop grants headed to state; Nearly \$20m in federal money would boost fruit and vegetable growers.

Michael Doyle Bee Washington Bureau

425 words

28 March 2009

The Fresno Bee

FINAL

B3

English

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WASHINGTON

California's fruit and vegetable industry could collect nearly \$20 million this year from a federal grant program whose rules became final Friday.

The money is supposed to "enhance the competitiveness of specialty crops," in the Agriculture Department's words. That might mean everything from marketing to research. And though it's a pittance compared to conventional crop subsidies, the grant program is beefier than it used to be.

"The block grants give us an opportunity to identify niches which need to be addressed, to strengthen our industry's economic base," said Joel Nelsen, president of the Exeter-based California Citrus Mutual.

In the 2008 **farm bill**, lawmakers boosted the Specialty Crop Block Grant program to \$49 million for this year. It will grow to \$55 million next year. The money flows to states, which in turn distribute grants among individual applicants that could range from universities to farm organizations.

California receives more from the block grant program than any other state. Although every state is assured at least \$100,000, **farm-bill** authors wrote a California-friendly formula that benefits states with the highest specialty crop production.

In part, the lawmakers were responding to lobbying from specialty crop growers who have complained that they receive few tangible benefits from farm bills that traditionally have focused on commodities like cotton, rice and wheat.

California's expected share comes to about 40% of the block grant total, estimated Robert Guenther of the United Fresh Produce Association. This is roughly equal to California's overall share of specialty crop production.

Specialty crops cover fruits, nuts, vegetables and certain select commodities like turf grass.

This year, boosted by additions made in the 2008 **farm bill**, the Agriculture Department is slated to provide \$49 million for the block grants. California could expect roughly \$19.6 million, if the state receives its expected share.

"California has been a model of how to run the program," Guenther said.

Last year, for instance, University of California at Davis researchers trained dogs to detect fecal contamination in leafy greens.

The Fresno-based California Table Grape Commission produced a portable pest-and-disease reference guide.

The new block grant rules published Friday in the Federal Register become effective Monday, setting the stage for states to start applying soon for their share of the grant funding.

Des Moines Register

March 31, 2009

115

Plant to make ammonia from cobs

SynGest plant near Menlo will use local corn cobs, biomass in fertilizer production

By DAN PILLER
dpiller@dmreg.com

SynGest of San Francisco said it will make anhydrous ammonia fuel and fertilizer from corn cobs and other biomass from a factory to be located on 75 acres near Menlo.

The \$80 million plant would be the first of its kind in the United States to convert biomass into fertilizer, Chief Executive Jack Oswald said. The process burns the cobs at temperatures up to 1,700 degrees to produce a vapor that is liquefied into ammonia.

Most chemical ammonia fertilizers are made from a process that extracts nitrogen from air by using natural gas.

The plant will be adjacent to the Hawkeye Renewables ethanol plant east of Menlo. When in operation, the facility will employ about 40 workers. Oswald said the company hopes to break ground by 2010 and be in production by 2011.

The company said it has signed an agreement to purchase the land.

The SynGest Menlo plant will use 150,000 tons of locally supplied corn cobs to make 50,000 tons of bio-ammonia annually, enough to fertilize 500,000 acres of nearby Iowa corn fields.

"We plan to make an announcement soon of a partnership with a major agribusiness firm that will work with farmers to sell their corn cobs for the plant," Oswald said.

The SynGest venture will be Iowa's second major cellulosic energy project.

Ethanol producer Poet plans to build a production facility at Emmetsburg that would use corn cobs as fuel. The Poet plant is scheduled to be built next year.

Oswald said one acre of corn production generates about one ton of corn cobs. In turn, he said, only about one-third of those cobs would be needed to make enough ammonia to fertilize the acre of corn production.

Farmers have fought soaring fertilizer costs caused by volatile swings in natural gas prices. In the last half-decade, the average price for fertilizer has increased from less than \$200 per ton to more than \$1,000.

Oswald said corn cobs likely will bring between \$30 and \$50 per ton when sold as feedstock for either fertilizer or ethanol production. He said SynGest hopes to make ammonia fertilizer that could be sold for \$600 per ton or less.

Oswald said much of the ammonia supplies used in the United States are imported from Trinidad or from Russia.

"The United States consumes 18 million tons of ammonia per year," Oswald said. "Without this vital commodity, our country's yield of corn, wheat, rice and other food grains would fall by 50 percent.

"This is worrisome because more than half the ammonia that we use is imported, notably from Trinidad with its dwindling gas resources, and from Russia with its reputation for interrupting critical supplies for political gains."

The front-end engineering and design program for the SynGest Menlo project is headed by Ravi Randhava, chief technology officer of SynGest. Ravi is also president of United Technologies and was a co-founder of the Xytel Group, including a joint venture with Bechtel known as Xytel-Bechtel Inc.

Oswald said SynGest is in discussions with state officials about state aid for the plant. Poet will receive \$20 million from the Iowa Department of Economic Development and the Iowa Power Fund for its Emmetsburg project.

He also said SynGest is talking with the U.S. Department of Agriculture about favorable interpretations of provisions in the 2008 federal Farm Bill that would flow assistance to farmers and lenders to help biomass fertilizer projects such as SynGest's.

"But our project is not contingent on federal subsidies," Oswald said.

Los Angeles Times



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From the Los Angeles Times

Urban beekeepers know it's more than just honey and money

As concern about pollination and 'colony collapse disorder' spreads, urban beekeepers are helping preserve the local honeybee population, one insect at a time.

By Lori Kozlowski

March 31, 2009

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Kirk Anderson bought his first honeybees from a Montgomery Ward catalog in 1970.

The 3-pound cage came in the mail, and as he opened it and fed the bees sugar water, his lifelong passion with *Apis mellifera* began.

Nearly 40 years later, Anderson, 61, calls himself an urban beekeeper, and he cares passionately enough about bees that he does house-call rescues throughout Los Angeles County.

Anderson gets 20 calls a week. He fishes the insects out of Jacuzzis, removes them from chimneys and shakes them from trees.

His efforts come amid a growing interest in beekeeping in urban areas, as word of the mysterious collapse of bee colonies has spread.

Honeybee colonies pollinate a third of the nation's food supply and are crucial to California's agriculture industry. Hives from around the country are brought in each year to pollinate almond trees and other crops. Central Valley farmers have struggled in the last three years as the cost of renting hives rises and the number of bees nationwide dwindles.

On a hot afternoon in a dusty hillside yard in Silver Lake, Anderson dons a netted hood and white jumpsuit, pulls on big yellow gloves and then places a box next to a dried-out pear tree. He shakes the trunk, and, like a maestro conducting a choir, uses a wooden stick to lead the bees into their new abode.

"They want to have a home. That's their purpose. I'm just providing it for them," Anderson said.

Once the bees are captured, Anderson "re-purposes" them, selling them to beekeeping club members who pay \$75 for a box of the insects and some instruction.

The Backwards Beekeepers formed their club last year, taking their name from writer-beekeeper Charles Martin Simon's philosophy of "beekeeping backwards" -- working with nature and not thinking that keeping is just about money and honey.

Anderson, who likes to jest that "backwards is the new forward," waxes rhapsodic about the revival of a lost art. "We're resurrecting beekeeping as a profession," he said. "You don't see people talking to kids at a job fair about beekeeping, do you?"

A house painter by trade, Anderson hopes to be able to make enough money from beekeeping to call it his full-time work.

Scientists nationwide are struggling with the mystery of "colony collapse disorder" (CCD); for Anderson, the answers are simple.

"It is obvious that bees are dying from being fed unnatural substances and being exposed to pesticides," he said. "I think everything commercial beekeepers are doing to the bees predisposes them to whatever they got going on. If you're moving them around and feeding them chemicals, to me it is not a mystery."

Anderson's backyard biology is not far from the mark. Scientists are focusing on mites, diseases, pesticides, global warming and overworked commercial colonies, among other factors.

"We're starting to see how the pieces fit together instead of examining them individually," said Dr. Dewey Caron of the Mid-Atlantic Apiculture Research and Extension Consortium.

"When you are exposed to a lot of somethings, together, finally it is the proverbial last straw," Caron said.

Russell Bates and Amy Seidenwurm, a married couple living in Silver Lake, are new keepers. Their five-box hive sits on the third tier of their lush garden of lemon trees and purple flowers.

They began last September, and since then they've grown attached.

"At first, we thought: 'We're gonna get honey! We're gonna get honey!'" Bates said. But now the couple are excited about the bees themselves.

"We have a lot of affection for our bees. They're like our 50,000 pets," Seidenwurm said.

Bates explained that beekeeping in the city not only provides a pesticide-free environment for bees, but allows residents to delve deeper into organic living.

"There's a lot of uncertainty about bees," he said. "And people are freaking out about the economy. So because of that, people are

thinking about their home environment a lot more. Beekeeping fits right into that because it doesn't require a lot of money or outside investment. It's way less work than having a cat or a dog."

Anderson, Bates, Seidenwurm and the Backwards Beekeepers are not alone.

Keepers from Orange County to the San Fernando Valley gather in recreation rooms, hillside homes and community gardens. The Beekeepers Assn. of Southern California is 100 members strong. Beekeepers -- backyard and/or commercial -- cite media coverage of colony collapse disorder as the reason for burgeoning interest in local beekeeping.

Will this surge in urban beekeeping beat back CCD or save California's food supply? Hardly, said Chris Heinz, bee task force liaison for the Almond Board of California.

"It's a good thing, but L.A. beekeepers aren't going to help commercial beekeeping in the Central Valley," she said. "Hopefully it is good for genetic diversity, but it won't make a significant dent in agriculture pollination."

While commercial beekeepers struggle to stay in business and bees strive to stay alive, Anderson and his counterparts continue to preserve the local honeybee population, one insect at a time.

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Dow Jones Newswires

WSJ: UN Food Agency Chief: Tighter Cdt May Make It Harder For Farmers To Expand Output

By Patrick Barta
574 words
30 March 2009
06:54
Dow Jones News Service
English
(c) 2009 Dow Jones & Company, Inc.

OF THE WALL STREET JOURNAL

BANGKOK (Dow Jones)--The head of the U.N.'s food agency warned that tighter credit amid the worldwide financial crisis could make it harder for farmers to expand production, raising the odds of a repeat of last year's crisis of soaring food prices.

Speaking at a biennial U.N. food policy conference in Bangkok, Jacques Diouf, director-general of the U.N.'s Food and **Agriculture** Organization, said the number of undernourished people worldwide continues to rise despite a recent decline in food prices. He also called on leaders to put **agricultural** investments on the agenda at this week's Group of 20 summit in London as a way of helping alleviate pain in the developing world from the global economic slowdown.

(This story and related background material will be available on The Wall Street Journal Web site, WSJ.com)

"We're saying this (situation) is very dangerous - not only is there a food crisis here, it is being worsened by the financial crisis," he said.

Prices of corn, rice, and other grains rocketed higher in 2007 and 2008 amid a perfect storm of tight supplies, market speculation and rising demand for crops in developing countries and for use in biofuels. The sharp price spikes made it harder for people to afford basic foodstuffs, triggering violent protests in developing countries and leading many economists to call for substantial new spending on **farm** production.

Prices have fallen by a third or more since then, and some analysts have warned of a possible glut of rice or other commodities as economic growth slows.

But grains prices are still 27% higher than in 2005, Diouf said, and global stocks remain low. Moreover, the number of people with insufficient food continues to climb. Diouf said it's possible the tally of undernourished people worldwide will surpass 1 billion, from 963 million in 2007, as the full brunt of higher food prices filters through.

A number of countries have stepped up rural spending over the past year, including China, which is making **agricultural** investments a key element of its economic stimulus initiatives.

But food-policy specialists fear any gains from such stimulus efforts could be offset by reduced credit from the private sector, making it harder for farmers to maintain output. The FAO is projecting global cereals production will decline this year due to smaller plantings and adverse weather, leaving 32 countries - including Bangladesh, Haiti and Zimbabwe - in need of foreign assistance.

Although governments are spending more, the global credit crunch "will constrain expansion of **agriculture** in the developing world this year," said Joachim von Braun, director of the International Food Policy Research Institute in Washington, D.C., in a recent interview. "We consider this to be a very precarious situation."

Diouf said the credit crunch hurts food-challenged countries in at least two ways: by making it harder for them to raise money to buy imported crops and also by raising the cost of loans to small farmers. With less credit available, farmers could be forced to hold back on planting or resort to black market lenders, saddling

them with high-interest debts that could constrain their output for years to come.

-By Patrick Barta, The Wall Street Journal; 011-66-2254-8217; patrick.barta@wsj.com [03-30-09 0700ET]

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Food security still a problem as hunger rises -FAO

By Thin Lei Win
 464 words
 30 March 2009
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 Reuters News
 English
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BANGKOK, March 30 (Reuters) - A fall in grain prices has led to the impression that food security is no longer a concern, but the number of people without enough to eat is still rising in a world facing recession, the United Nations said on Monday.

"The level of prices is still 19 percent above the average of 2006 ... so we're still in a period of high prices," Jacques Diouf, director-general of the U.N.'s Food and **Agricultural** Organisation (FAO), told reporters at a conference in Bangkok.

In addition, recent FAO studies showed that even though prices had fallen in international markets, retail prices in most developing countries had not.

"Not only is the crisis here, but it's been worsened by the financial and economic crisis," Diouf said.

Stocks for cereals were at a 30-year low, and he described the situation as "very fragile".

"We're afraid that if there are any serious climate factors affecting production, we will be back to where we were in 2007. We've seen serious floods in north America and southern Africa," he said.

The FAO estimates that over one billion people in the world will go hungry this year because of the combined effects of the global economic crisis and high food prices.

The number of chronically hungry people has been rising steadily -- by 75 million in 2007 and an estimated 40 million in 2008. By the end of 2008, 963 million people were undernourished, almost two-thirds of them in the Asia-Pacific region.

Diouf said aid needed to be directed back to **agriculture**.

"The first and foremost important element is the need to invest in **agricultural** production (to combat hunger), and this would require \$30 billion a year," he said.

That sum, enough to help around 500 million small farmers, would have been considered high in the past, but he put it in the context of the trillions of dollars that Western governments had poured into schemes to stimulate their economies.

Between 2006 and 2008, the FAO says, fertiliser prices rose 170 percent and seeds and animal feed by at least 70 percent, putting them out of the reach of small farmers.

Diouf said aid donors needed to ensure **agricultural** funding went back to the levels of the late 1970s and early 1980s, when 17 percent of overseas development aid went to **agriculture**, facilitating a "green revolution" in Asia and Latin America.

By this decade, that share had dived to a mere 3 percent. (Reporting by Thin Lei Win; Editing by Alan Raybould)

FOOD/SECURITY|LANGEN|G|RBN|AFA|CSA|LBY|RWSA|RWS|REULB|GNS|ABN|C|GRO|M|MTL|SOF|RN
 P|PGE|PCM|SXNA



REUTERS

1 of 2

Forests could undermine carbon market-Greenpeace

559 words
30 March 2009
12:00
Reuters News
English
(c) 2009 Reuters Limited

* Greenpeace says CO2 prices could tumble 75 pct due forests

* Forest credits could sap cash from clean technology

By Alister Doyle

BONN, Germany, March 30 (Reuters) - Carbon market prices could tumble by 75 percent if credits for safeguarding forests are added to markets for industrial emissions, environmental group Greenpeace said on Monday.

A report issued on the sidelines of U.N. talks in Bonn working on a climate treaty said that a flood of forest carbon credits could also slow the fight against global warming and divert billions of dollars from investments in clean technology.

"Cheap forest credits sound attractive but a closer examination shows they are a dangerous option," Roman Czebiniak, Greenpeace International political adviser on forests, said of estimates by Kea 3 economic modelling group in New Zealand.

About 175 nations are meeting in Bonn from March 29-April 8 to discuss measures for fighting global warming. Among them are ways to slow tropical deforestation, which accounts for a fifth of all greenhouse gas emissions from human activities.

Trees soak up carbon dioxide, the main greenhouse gas, as they grow and release it when they are burnt or rot. Placing a price on intact trees could help save forests from the Amazon to the Congo basin from logging and land clearance by farmers.

"Including forest protection measures in carbon markets would crash the price of carbon by up to 75 percent and derail global efforts to tackle global warming," Greenpeace said.

The report projected the 75 percent fall in prices, to 3.9 euros (\$5.16) per tonne by 2020 from a baseline of 16.05 used in the report, under current national policies for limiting emissions.

CLEAN ENERGY INVESTMENTS

"Countries like China, India and Brazil could lose tens of billions of dollars for clean energy investments if forest protection measures are included in an unrestricted carbon market," it added.

There is so far no agreement on how to put a price on forest carbon under a new treaty. Suggestions range from carbon trading to new taxes in developed nations to raise cash. Governments aim to agree a new U.N. climate treaty in Copenhagen in December.

A European Commission report last year also said the European Union should not let industry meet its climate goals by funding forest **conservation** in tropical nations before 2020.

"Allowing companies to buy avoided deforestation credits would result in serious imbalances between supply and demand," it said. It said deforestation emissions were three times bigger than emissions regulated by the EU emissions trading scheme.

And New Carbon Finance analyst Aimie Parpia estimated in a report earlier this month that unlimited use of forestry could cut carbon offset prices by 40 percent by 2020.

Greenpeace's own forest proposal is to allow industrialised countries to meet a part of their emissions reduction goals by buying cheaper "tropical deforestation units" as an addition to deep cuts in domestic emissions.

These units, however, would not be tradeable on markets for industrial emissions. (Additional reporting by Gerard Wynn and Michael Szabo in London)

-- For Reuters latest environment blogs click on: <http://blogs.reuters.com/environment/> (Editing by James Jukwey)

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The Washington Post

Feeding the Obesity Epidemic

119

Tuesday, March 31, 2009; A16

I appreciated George F. Will's March 8 op-ed, "Where the Obesity Grows," linking the obesity epidemic to America's addiction to cheap, fatty meat from corn-fed animals. I want to note that under current law, the Agriculture Department buys surpluses of unhealthful meat and funnels it through federal food programs to our nation's most unsuspecting consumers -- schoolchildren.

As the economic downturn deepens, more food producers need the government's help to sell their products, and more families sign up for school meal programs offering this cheap, unhealthful food. This cycle further fuels the corn craze -- and causes childhood obesity and diabetes rates to rise.

The government should consider children's health, not agribusiness interests, when it decides which foods to include in the National School Lunch Program. When Congress revises the standards this year, it should help schools offer more fruits, vegetables and other low-fat vegetarian foods.

KATHRYN STRONG

Washington

The writer is a staff dietitian for the Physicians Committee for Responsible Medicine.

George F. Will ignored the role that lifestyle choices play in obesity -- a role much more significant than any one food ingredient. In fact, while per capita consumption of high-fructose corn syrup is on the decline, obesity and diabetes rates are rising. And obesity rates are rising around the world, including in Mexico, Australia and Europe, places where the use of high-fructose corn syrup is limited.

Second, farmers are growing much more corn with less fertilizer and pesticides. Nitrogen use per bushel, for example, dropped 38 percent between 1980 and 2005. And whether it is pounds per acre or pounds per bushel, the use of pesticides has dropped significantly since 1990. A report from the Keystone Center likewise has found reductions in key environmental impacts.

Family farmers are the original ecologists. We pride ourselves on finding innovative ways to grow enough corn to sustainably meet all needs. We are proud of our work and happy to know we are helping provide plentiful and inexpensive food.

BOB DICKEY

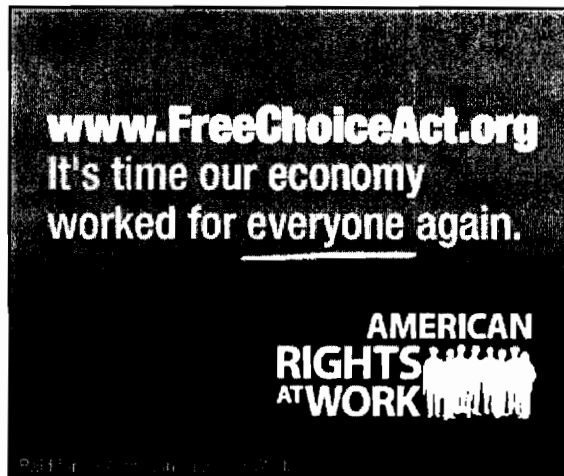
President

National Corn Growers Association

Chesterfield, Mo.

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AMERICAN BANKER
THE FINANCIAL SERVICES DAILY

1 of 2

Technology
Federal Government Seen Hampering WIC Conversion

By Will Hernandez

624 words

31 March 2009

American Banker

10

Vol.174, No.61

English

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A lack of direction and funding from the federal government has hindered a nationwide transition to payment cards for the Special Supplemental **Nutrition** Program for Women, Infants and Children, according to JPMorgan Chase & Co.

The New York company said payment cards offer several advantages for government benefit programs, but the government must make a financial commitment to support a transition from paper vouchers.

Electronic transfers are "the best possible way to distribute those benefits," Brian Kibble-Smith, the executive director of public affairs for JPMorgan Chase's treasury services unit, said in an interview this month. Some states that have tested payment cards have reverted to vouchers, he said, because government grants did not cover the full cost of conversion.

In a report issued last month, Kibble-Smith wrote that magnetic-stripe cards are the most cost-efficient method to deliver **WIC** benefits. Three states currently use such cards.

Smart cards also are starting to catch on. Wyoming and New Mexico use them now, and Texas and Nevada are planning to introduce them this year. Smart cards for **WIC** programs cost about \$3 each to manufacture, compared with about 30 cents for a magnetic-stripe card, the report said.

JPMorgan Chase provides **WIC** electronic benefits transfer processing for the Chickasaw nation in Oklahoma.

The federal **WIC** program provide health care and **nutrition** benefits for low-income pregnant women and children underfive.

In 2005, Ohio reverted to vouchers because "they did not believe they could afford EBT within their **nutrition** services and administration grant," according to an e-mail from a spokeswoman for the Department of Agriculture's Food and **Nutrition** Service, which administers the **WIC** program.

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont also tested cards, but they shifted back to vouchers in 2006.

The JPMorgan Chase report said that magnetic-stripe cards are a better fit than smart cards, largely because **WIC** users are familiar with the cards, and other programs, such as food stamps and unemployment benefits, are already using them.

The Food and **Nutrition** Servicespokeswoman said it is neutral regarding whether state agencies use magnetic-stripe or smart cards for **WIC** initiatives. "Both online and offline technology have been used by state agencies, and both have proven to be feasible."

In 2002, Wyoming became the first state to deliver **WIC** benefits on a card. The smart cards were issued under a contract with Stored Value Solutions, a Louisville unit of Ceridian Corp.

Janet Moran, Wyoming's **WIC** program section chief, said smart cards offer advantages over magnetic-stripe ones. "Sometimes an online system can be down, and people don't have access to benefits," but with a chip

card, the benefits are loaded directly onto the card.

Magnetic-stripe cards make sense for unemployment benefits, because "it's like cash," Moran said, but she plans to continue using smart cards for **WIC** "for the foreseeable future."

Kibble-Smith said **WIC** benefits, which can be used to purchase only certain items, are harder than those from other programs for merchants to accept. "A **WIC** transaction can be the most time-consuming transaction that a retailer can perform."

Moran said payment cards can eliminate misunderstandings between the cashier and the recipient. "Everything is controlled by the UPC" code scanned at checkout, "so you know they are purchasing the right products."

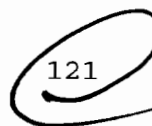
The Food and **Nutrition** Service spokeswoman said the American Recovery and Reinvestment Act signed into law last month will provide \$500 million for **WIC** benefits. "The law also provides \$100 million to establish, improve or administer a management-information system for **WIC**, including the advancement of EBT in the **WIC** program."

Will Hernandez is the associate editor of ATM&Debit News.

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3/30/2009 11:54:33 AM
Hurdles Ahead for Ethanol Blend Percentage Issue
by Jim Wiesemeyer



via a special arrangement with Informa Economics, Inc.

Proponents and opponents step up as EPA considers maximum ethanol blend percentage

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President Barack Obama has previously said he may have to make the final decision on whether or not – and if so, how much – to increase the maximum ethanol blend percentage for non-flex fuel vehicles, from the current 10 percent maximum. But other hurdles have surfaced.

For example, usually reliable contacts signal that groups representing refiners and small equipment companies have already contacted Clean Air Act lawyers in a possible future effort to seek a court injunction should the ethanol blend percentage be increased. Some automobile and small engine manufacturers have said there is no certainty yet that such an increase in the blend percentage will not harm engines and fuel lines. Boat engines, chain saws, lawn mowers, snowmobiles, motorcycles, generators and other small-engine equipment could be permanently damaged from using a 15 percent ethanol blend, said Kris Kiser, executive director of the Outdoor Power Equipment Institute. "We have very real concerns," Kiser said, including poor engine performance and overheating, according to a recent *Milwaukee Journal Sentinel* article. Of 28 engines tested by the Department of Energy using 15 percent ethanol, all had significant problems, he said.

But groups that recently submitted a petition to the Environmental Protection Agency (EPA) to boost the blend percent up to 15 percent provided several research reports that support the increase. "Several studies show vehicles on the road today work safely and efficiently with a 15 or even 20 percent ethanol blend," according to Randy Klein, director of market development for the Nebraska Corn Board. "In fact, some cars performed better on the higher blend. That really isn't a surprise considering that Brazil requires an E25 blend in all conventional cars," Klein added. Moving from a 10 percent to 15 percent blend would also allow ethanol to replace some 7 billion gallons of gasoline, which is the equivalent of about 350 million barrels of oil. "That is a lot less oil we would need to import into this country," Klein said, "and replacing gasoline with cleaner burning ethanol would also provide environmental benefits."

A \$497,000 grant to Minnesota State University (MSU) to study ethanol signals that a 20 percent blend appears to be no harder on vehicles than regular gasoline. The study, led by Bruce Jones and Jim Rife in MSU's automotive engineering technology department, tested the effects of different blends of ethanol on the raw materials of a vehicle as well as fuel system parts. Today all gas sold in Minnesota includes 10 percent ethanol. Some gas is 85 percent ethanol (called E85). It is the intermediate blends -- between 10 percent and 85 percent -- that MSU is studying. It is using regular vehicles, not the "flex fuel" models specifically designed to run on high ethanol blends. Jones said research into the 20 percent blend has just been completed. Tests on raw materials -- the metals, plastics and rubber- like substances -- found no problems with the E20 blend. Likewise, fuel pumps using regular gasoline, E10 and E20 were run for 5,000 hours and there was no more wear and tear on the higher- ethanol blend. The research is being done to support a Minnesota proposal to move to a 20 percent blend in all gasoline by 2012.

However, a separate study on the ethanol blend topic was recently released by economists at

Mississippi State University. The report's conclusion: "Results of this study argue in favor of approaching any change to current bioenergy policy with considerable caution due to the possibility of severe adverse unintended consequences for other agricultural market participants and, by extension, consumers." The study by Dept. of Ag Economics economists John Anderson, Daniel Petrolia and John Riley, noted their work adapts an existing model of the corn market to evaluate the short-run effects of an increase in the ethanol blend limit to 12.5 percent, or 15.0 percent on the various components of corn use (i.e., feed use, exports, ethanol production). The report authors wrote that "The potential impacts of even the smaller increase in blend limits are quite substantial, with the potential to deal a further serious blow to the nation's livestock industries at a time when they are already struggling from an extended period of high costs of production and sluggish demand."

Last week, the National Marine Manufacturers Association submitted requests to the EPA and Department of Energy for testing. The association pointed to disquieting reports from the Oak Ridge National Laboratory in Tennessee, according to an article in the St. Louis Post-Dispatch. Tests last fall on several types of small engines showed that ethanol raised internal temperatures, sometimes considerably. The increased ethanol content caused handheld trimmers to idle faster and engage into gear. Overall, some small engines proved to be more sensitive to ethanol than others. The article noted that at St. Charles Boat & Motor, owner and service manager Jerry Sims used to oversee the rebuilding of 30 carburetors in a year's time. Last year, Sims said, he stopped counting at 750. They were victims, he claims, of ethanol in gas. "It's killing motors right and left," Sims told the *St. Louis Post-Dispatch*. "But the EPA keeps shoving it down everybody's throats." Others note that existing boat warranties would be voided by use of any alcohol fuel beyond E10.

Responding to boaters, former Gen. Wesley Clark, one of the leaders of Growth Energy, an ethanol proponent lobby group, said that there would be no requirement to use fuel with the higher ethanol blend -- marinas could order the type of fuel that suits them, something marina owners said would be costly and impractical. "We're not advocating a mandatory 15 percent; we're advocating the right to have 15 percent," Clark told the St. Louis newspaper. "A lot of us have a lot of friends up there (in Washington), and we're hoping that the administration will go to 12 or 13 right away. Because that would be a powerful signal" to investors, he said.

Executive and legislative branch officials have indicated support for a blend increase, including House Speaker Nancy Pelosi (D-Calif.) and USDA Secretary Tom Vilsack.

Timing of EPA decision murky. Some sources expect a decision on this topic by the end of summer, with several contacts predicting a slight increase in the blend percentage maximum to 12 or 13 percent. Others signal a decision will likely come late this year. But guessing a timeline on this upcoming decision is just that -- a guess.

A hearing on the Renewable Fuels Standard (RFS) will take place this Wednesday. Some mixed views on this topic will likely unfold during the hearing.

It is up to the EPA to lift the cap. Adora Andy, the EPA's press secretary, said in a recent statement, adding that the agency will review a petition request to boost the blend percentage up to 15 percent and "act based on the best available science."

Comments: Opponents of even a small increase in the maximum blender percentage fear that this would be the first of several increases and thus they will oppose even a two or three percentage boost. As you can see from our latest update, this issue is complex with no clear crystal ball. And potential court action makes this topic even harder to predict.

It will be important to know EPA's eventual decision because if it denies the petition for a

higher blend percentage maximum, and if President Obama then announces a higher blend, the voices who claimed the Bush administration politicized EPA would be just as loud in a similar charge regarding the Obama administration.

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3/30/2009 11:54:26 AM
The Week Ahead: March 30-April 3, 2009
by Jim Wiesemeyer



via a special arrangement with Informa Economics, Inc.

Budget resolution floor action and USDA's Prospective Plantings report are key items this week

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Both the House and Senate this week will consider the Fiscal Year 2010 budget resolution prior to adjourning for a two-week spring recess, returning on April 20. A major USDA report on Prospective Plantings comes Tuesday morning.

The Senate resolution has a 5-year budget window instead of the 10-year timeframe proposed by President Obama. The Senate resolution calls for a FY 2010 deficit of \$1.246 trillion and a five-year shortfall of \$3.821 trillion, compared to a projected \$1.379 trillion 2010 deficit and \$4.429 trillion deficit in the president's budget. The Senate package would use \$175 million savings from the crop insurance program to provide additional funding to child nutrition programs.

The Senate Budget Committee approved the resolution last Thursday on a 13-10 party-line vote. Republicans will offer amendments to cut spending, reduce taxes and lower the debt, and will likely offer proposals to prevent a procedure called reconciliation from being used to push through health care overhaul and a cap-and-trade system to reduce carbon emissions. Reconciliation only requires majority support, which enables those employing it to avoid Senate filibusters. The House resolution contains reconciliation language, while the Senate resolution does not.

The House budget proposal estimates a budget deficit of \$1.222 trillion in 2010 and \$3.950 trillion over the next five years, lower than both the president's budget forecast and the Senate resolution.

The House Budget Committee sent the measure to the floor last week on a 24-15 party-line vote. The House resolution contains instructions to the Ways & Means Committee, Energy & Commerce Committee, and the Education & Labor Committee to each send legislation to the floor that would reduce the budget deficit by \$1 billion over the next five years. Democratic leadership would likely use these savings to fund health care and student loan program reforms.

The House also could consider a bill (HR 1664) that would amend the Emergency Economic Stabilization Act with respect to executive compensation. The legislation would prohibit companies that accept federal bailout funds from rewarding their employees with unreasonable or excessive compensation packages.

House leaders may also push a debate on a tobacco regulation bill. The bill (HR 1256) would give the Food and Drug Administration (FDA) the authority to regulate tobacco products. The measure allows the FDA to regulate nicotine but not ban it entirely. The agency would also have authority to regulate tobacco marketing. The House approved nearly identical legislation last year 326-102, but it died without the Senate considering it.

This week's Washington-related agenda:

Tax Policy Issues

- **Banking practices:** The House Ways and Means Subcommittee on Select Revenue Measures holds a Tuesday morning hearing on issues involving banking secrecy practices and wealthy American taxpayers. Douglas Schulman, commissioner of the Internal Revenue Service, will be a witness.
- **Tax compliance costs:** The House Small Business Committee meets Wednesday afternoon to discuss IRS oversight and whether tax compliance costs are slowing economic growth and recovery.

Economic Issues

- **Lessons from New Deal:** Christina Romer, chair of the White House Council of Economic Advisors, will be among the witnesses appearing before a Senate Banking hearing Tuesday afternoon to discuss lessons learned from the "New Deal" in dealing with the current economic crisis.
- **Employment Situation:** The Joint Economic Committee has a Friday morning meeting to review the Bureau of Labor Statistics latest employment figures for March 2009. BLS Commissioner Keith Hall will testify.
- **Credit Cards:** The Subcommittee on Commercial and Administrative Law (House Judiciary) will meet Thursday afternoon to discuss whether credit cards are bankrupting Americans.
- **TARP:** The Senate Finance Committee will hold a Tuesday morning oversight hearing on the six-month checkup of the Troubled Asset Relief Program (TARP).
- **Credit Card Lending Practices:** The Senate Banking Committee meets Tuesday morning to mark up a bill (S 414) that would place new restrictions on credit card lending practices. The bill, introduced earlier this year by Chairman Chris Dodd (D-Conn.), would ban a billing practice called double cycle billing, which uses balances in previous monthly statements.

Energy

- **Energy bill markup:** The Senate Energy Committee on Tuesday morning will begin the first in a series of markups on comprehensive energy legislation. The March 31 markup will focus on three bills (S 531, S 598, S 661) dealing with energy efficiency standards, and a draft energy innovation and workforce development bill. The panel also will mark up the nomination of Thomas Strickland to be assistant secretary of the interior for fish, wildlife, and parks. Senate Majority Leader Harry Reid (D-Nev.) is contemplating combining the energy package with a cap-and-trade climate bill, which would complicate passage. In the House, the Energy and Commerce Subcommittee on Energy and Environment will soon release a draft of its own energy/climate bill -- House Energy and Commerce Chairman Henry Waxman (D-Calif.), who has set a deadline of getting a combined energy and climate change measure through his committee by Memorial Day, is expected to release a committee discussion draft this week with Energy and Environment Subcommittee Chairman Edward Markey (D-Mass.). The legislation is expected to cap emissions of greenhouse gases and set up a market-based system that would allow businesses to trade emission allowances. Included with be other energy policies, such as a mandate for utilities to buy renewable electricity. Other committees — especially House Ways and Means — will have jurisdiction over portions of the bill
- **RFS:** On Wednesday morning, the Subcommittee on Clean Air and Nuclear Safety (Senate Environment) will meet on the oversight of the Environmental Protection Agency's Renewable Fuel Standard (RFS). The RFS was the subject of intense debate in the 110th Congress, with lawmakers from livestock-producing districts pressing the EPA to lower the standard, arguing it is leading to increased feed costs for cattle.
- **25x'25 Renewable Energy Summit:** USDA Secretary Mike Vilsack, Interior Secretary Salazar and Rep. Stephanie Herseth (D-S.D.) will speak at the 25x'25 Renewable Energy Summit held Wednesday and Thursday.

Nominations

-- **Kathleen Sebelius:** Senators will consider the nomination of Kansas Gov. Kathleen Sebelius (D) to become HHS secretary. The Senate Health, Education, Labor and Pensions Committee will consider the nomination on Tuesday with a vote expected the next day. The Senate Finance Committee will also hold a hearing Thursday on Sebelius.

-- **USDA Nominations:** The Senate Ag Committee on Wednesday afternoon will conduct a hearing to review pending nominations to USDA, which include Joe Leonard Jr. to be an Assistant Secretary of Agriculture for Civil Rights; Kathleen Merrigan to be Deputy Secretary of Agriculture; Jim Miller to be Undersecretary of Agriculture for Farm and Foreign Agricultural Services; and Dallas Tonsager to be Undersecretary of Agriculture for Rural Development.

-- **SBA Administrator:** The Senate Small Business and Entrepreneurship Committee on Tuesday morning holds a hearing on the nomination of Karen Mills to be administrator of the Small Business Administration (SBA).

USDA Budget

-- **Vilsack:** USDA Secretary Tom Vilsack will appear before the House Agriculture Appropriations Subcommittee Tuesday morning. Ag Appropriations Subcommittee Chairwoman Rosa DeLauro (D-Conn.), who has introduced a food reform bill, will seek Vilsack's comments on this and other food policy topics.

Food and Nutrition

-- **Child Nutrition:** As part of the effort to reauthorize child nutrition programs, the Senate Agriculture Committee will hold a hearing Tuesday morning on food served in school snack bars, vending machines and a la carte lines in cafeterias.

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No big change in farm prices for March

Monday, March 30, 2009, 4:28 PM

by Bob Meyer

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The Preliminary All Farm Products Index of Prices Received by Farmers in March was unchanged from February. The Crop Index increased .7% while the Livestock Index slipped .9%. USDA says producers received more for corn, lettuce, snap beans and tomatoes. Less for broilers, soybeans, strawberries and celery.

The average corn price in March was \$3.96 per bushel, up 9 cents from February but 74 cents below March of 2008. The all-wheat price averaged \$5.85 per bushel, up 6 cents from February but \$4.65 below a year ago. Soybeans averaged \$9.13 for the month, 42 cents below last month and \$2.27 under March of 2008.

In the Livestock Index for March, hogs averaged \$44.20 per cwt, up 30 cents from February and \$3.90 above a year ago. Beef cattle averaged \$78.50 for the month, down 30 cents from last month and \$9.30 below March of 2008.

The all-milk price for March was down a dime from February at \$11.50 per cwt. That is \$6.60 below a year ago. Fluid grade was a dime lower than last month while manufacturing grade is 40 cents higher.

The March broiler price averaged 45 cents per pound, down 2 cents from February and a penny below March of 2008. Turkeys were 46.7 cents per pound, .2 cents higher than February but 6.2 cents below March of last year. Eggs averaged 62.3 cents per dozen in March, .4 cents above February but 65.7 cents below a year ago.

The Prices Paid Index was also unchanged from February. Farmers paid less for nitrogen fertilizer, diesel fuel, feeder cattle and feed concentrates. Paid more for feeder pigs, potash and phosphate, herbicides, insecticides and self-propelled machinery.

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Agriculture Not Hard Hit By House and Senate Budgets

USAgNet - 03/30/2009

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The House and Senate Budget Committees approved FY2010 budget resolutions last week with relatively minor implications for agriculture. It had been unclear if the outlines, which provide guidance to subject-matter committees, would contain reconciliation instructions requiring those committees to find savings in existing programs. The resolution passed by the House Budget Committee did not contain reconciliation instructions for agriculture programs.

The Senate Budget Committee's resolution, passed on Thursday by a 13 to 10 vote, did touch on agriculture by finding budget savings through changes to the federal crop insurance program. An amendment from Budget Committee Chairman Kent Conrad (D-N.D.) to save money through government agreements with private crop insurance companies passed by a 14 to 9 vote, though details remain unclear.

The Obama Administration issued its budget blueprint in late February. That proposal included a number of items that would have been detrimental to farm programs in the 2008 Farm Bill, including the elimination of direct payments for producers with gross sales of more than \$500,000 annually. Multiple efforts have been under way among commodity groups and on the Hill to express opposition to these ideas.

Meanwhile, 17 Senators sent a letter spearheaded by Sen. Pat Roberts (R-Kan.) and Sen. Blanche Lincoln (D-Ark.) to Senate Budget Committee Chairman Kent Conrad (D-N.D.) and Ranking Member Judd Gregg (R-N.H.) expressing strong opposition to the Obama proposals and other efforts to reopen the 2008 Farm Bill.



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USDA Crop Reports Preview**Soybean Acreage Seen Up, Corn Acreage Down****Darin Newsom** DTN Senior AnalystE-mail: dnewsom@dtn.com

Mon Mar 30, 2009 08:51 AM CDT

OMAHA (DTN) -- The acreage debate has heated up recently, though not with the same fire as in the past few years. Tuesday's Prospective Plantings and Quarterly Stocks reports may add fuel to the fire. Or not.

Heading into Tuesday's Prospective Plantings report the big picture seems a foregone conclusion: soybean acres are expected to increase by 3.5 million, while corn acres are expected to decline by about 1.5 million. These are just the average estimates. The high side of soybeans shows an increase of almost 6 million acres, while the low side of corn shows a drop of 4.5 million acres.

I think soybeans could gain at least 5 million acres, putting total acreage above 80 million, a record high. On the other hand, I think the estimate for only a 1 to 1.5 million decrease in corn prospective acres is likely because things could change if spring weather is uncooperative and more corn acres move to beans.

Keep in mind that these are prospective numbers -- numbers that will change throughout the course of the growing season. That said, these prospective planting numbers could be viewed as bearish for both corn and soybeans. And that's exactly the scenario the new-crop futures spreads have been indicating for the last few weeks.

QUARTERLY STOCKS

Not surprisingly, for those who look at futures spreads as an indication of the market's view of supply and demand, corn quarterly stocks are expected to be 141 million bushels larger than the same period last year. This would be a smaller percentage change from the December 1 stocks number than what was seen in 2008, likely reflecting the slowdown in total demand from last year to this year.

Soybean quarterly stocks are seen at 1.32 billion bushels, 114 mb below last year's March 1 number. This shows a 2 percent increase in total demand compared to year-ago figures. March 1, 2009 quarterly stocks would be only 58 percent of the last quarterly stocks report number (from December 1, 2008) compared to the previous year's 60 percent. This is, again, not surprising to those who see that the old-crop futures spreads remain inverted and that the market remains on a record export pace.

If these numbers come in as expected for corn and soybeans, it would be viewed as bearish for corn and neutral for soybeans.

Planted acres for wheat are expected to drop, which could support the new-crop market, particularly spring wheat as acreage expectations continue to decrease. But quarterly stocks are expected to increase by 350 mb over last year, a likelihood indicated for some time by the strength of the carry in the winter wheat futures spreads. Overall, the market is expecting bearish wheat reports.

Darin Newsom can be reached at darin.newsom@dtm.com.

PROSPECTIVE PLANTINGS

ACREAGE (million acres)		Actual Pro. Plntng	
	3/31/09	Avg High Low2008-2009	2008-2009
Corn	84.55	89.00	81.40
Soybeans	79.25	81.50	75.90
All Wheat	58.85	63.00	56.70
Winter	42.13	42.95	41.50
Spring	13.64	14.00	13.00
Durum	2.62	2.80	2.20
Grain Sorghum	7.00	7.20	6.40
Cotton	8.37	8.70	7.90
Total Acres		242.6	241.41

QUARTERLY STOCKS (billion bushels)

	3/1/09	Average High Low	12/1/08	3/1/08
Corn	7.00	7.14	5.90	10.084
Soybeans	1.32	1.35	1.295	2.276
Wheat	1.06	1.11	0.980	1.422
Grain Sorghum	0.19	0.21	0.175	0.312

(AM/PH)

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Kiplinger Agriculture Letter 3/27

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A national animal ID plan is still years away, despite the fact that USDA and state animal agencies will soon have spent over \$140 million and five years on devising a comprehensive nationwide program. Many hurdles remain, including finding ways to incorporate the existing hodgepodge of ID systems around the country and making sure the plan is fair to large and small livestock producers alike. When the dust settles, here's what to expect:

A *mandatory* program for all livestock. Livestock groups, farm state lawmakers and federal and state regulators acknowledge the need for a nationwide system. Key drivers are protection of animals from disease and safety of the food supply. However, a lot of farmers are strongly opposed to a mandated program, pointing to past assurances by USDA that participation would be voluntary. But earlier this year, USDA proposed a backdoor way to forced enrollment by requiring that all animals registered in its mandatory disease control programs be registered in the Ag Department's 15-digit format.

To quell anger over making participation in the animal ID plan mandatory... Ag Sec. Tom Vilsack and Congress will craft some changes to the system. Not all livestock owners will be forced to invest in complex ID software and other high tech gizmos to track animals. For smaller livestock operators, simple ear tags will be enough, while larger operations will be free to invest in fancier equipment to track animals as well as their feeding, transport, etc. Federal and state governments will pay for the tags and the ID databases, but owners will be required to apply the tags and register their livestock. And records sent to USDA and state databases will be strictly confidential. Livestock owners want to keep nosy neighbors from prying into their business.

Melding existing voluntary systems into a single program will take time. Several ID programs are well advanced. For example, use of tags for disease control and recording ownership already links many cattle, sheep and poultry to their farms. Plus 75% of dairy and 80% of hog farms are signed up with USDA. Nonetheless... Cooperation with voluntary systems varies widely. In Idaho, Ind., Mass. and Wis., virtually all animal premises are in USDA's registry. But in other states, compliance is much more scattershot...in some states, it's less than 10%.

When a national ID system finally takes hold, livestock owners will benefit because the program will make it easier to protect against the spread of diseases specific to animals. In outbreaks of a foodborne disease in humans, the ID system will help track the source of a pathogen to a specific animal on a farm. Of course, most food safety problems with meat stem from slaughter, processing, storage, etc.

Kiplinger Agriculture Letter 3/27

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Farmers will likely have a big say in ending a trade tiff with Mexico that began with Congress barring Mexican trucks from U.S. highways. Mexico contends the ban violates NAFTA and retaliated with tariffs.

The new hit to U.S. fruit and veggie exports to Mexico is substantial... about \$800 million a year in duties of 10% to 45% on U.S. farm goods such as wine, nuts and fresh produce. More than a third of all the new duties target farm products.

Washington and Mexico City will craft a compromise to end the tariffs.

Kiplinger Agriculture Letter 3/27

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The painful contraction of U.S. dairy farms will continue through summer.

Feed costs are down from '08 levels, but farmgate milk prices have dropped to an average \$11.50/cwt., or \$5/cwt. below an average farm's bare operating costs. Dairy farms are rapidly adjusting to a plunge in exports owing to the world recession. Nationally, farmers are selling cows and will milk 1.3% fewer this year than in '08... 15 Calif. dairies have quit since Jan. USDA is buying milk products to trim supplies.

Farmers' losses will retreat a lot by fall as supplies tighten and prices rise.

Kiplinger Agriculture Letter 3/27

Farmers who rent federal lands won't be getting any more crop payments on such tracts. The law allows landowners to terminate their base acres (land eligible for payments), and USDA did so on behalf of all federal agencies owning cropland. For '09, the change doesn't affect farms with '09 leases signed by last Dec. 23. But...

This means farmers nationwide will lose out on at least \$5.5 million a year by '10 on cropland rented from federal entities...Bureau of Land Management, Forest Service, Army Corps of Engineers, Fish & Wildlife Service, etc. The sum is tiny relative to total crop subsidies, but the move will pinch some farmers' crop budgets.

Kiplinger Agriculture Letter 3/27

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There's a chance the House will pass an ill-advised bill on antibiotics.


The proposal by Rep. Louise Slaughter (D-NY) would put more limits on antibiotics for livestock and require the Food and Drug Administration to set higher hurdles for permitting use of any new antibiotics on farm animals.

The bill aims to help prevent pathogens' resistance to critical antibiotics needed to fight human diseases. While it'd ban the massive use of such products to boost animals' growth, for example, it would also prohibit use for prevention of diseases such as mastitis, which causes pain to cow udders and affects milk.

But there's no solid evidence that the legislation hits on a real problem. The heavy use of antibiotics by people is a greater factor than animal antibiotics in rising human resistance. Though animals raised for food do get the majority of antibiotics used on animals, the legislation waives restrictions for dogs, cats and other pets. However, experts say pets pose a higher risk than food animals of passing along antibiotic resistance because of their close contact with people.

Also, the bill's ban on preventive antibiotic use may hurt human health. There's a trade-off. Ending preventive use would make more livestock sick, leading to increased pathogens in meat and poultry sold in supermarkets.

We think cooler heads will derail the legislation in the Senate... if not in the House. But the ag sector will need to keep a close eye on it.

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Industry News - AM

USDA official sums up FSIS targets for 2009By Lisa M. Keefe on 3/30/2009

Processors should keep an eye out for USDA's Food Safety and Inspection Service to move forward on bench trim verification, risk of listeria contamination at retail, and HACCP validation expectations, among other initiatives, in calendar 2009.

Daniel Engeljohn, deputy assistant FSIS administrator, on Friday discussed these and other plans for the year at the North American Meat Processors Association Management Conference in Chicago.

Other FSIS plans for the remaining three quarters include:

- Issue slaughter dressing verification procedures
- Initiate a new bench trim verification testing program
- Issue N60 labeling criteria
- Expand ground poultry verification testing
- Conduct baselines (turkey carcasses, hog carcasses, chicken parts, beef carcasses post-hide removal/pre-visceration)
- Enforce a non-detectable Salmonella standard in "NRTE frozen and stuffed chicken product that appears RTE"
- Publish the FSIS risk assessment on deli-sliced meat compared to pre-sliced meat
- Host a public meeting jointly with FDA on a planned risk assessment considering the risk factors at retail
- Increase surveillance and enforcement of prudent record-keeping associated with grinding logs and sanitation control at the retail level
- Safe cooking guidance for consumers regarding meat steaks, chops and roasts

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Re: Initiatives of FSIS

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Industry News - AM

USDA's food safety arm starts a-twittering

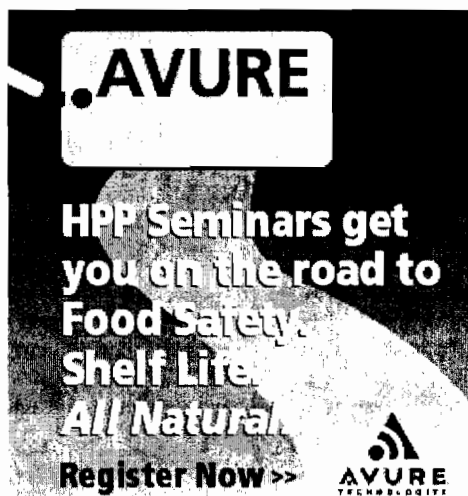
By Meatingplace Editors on 3/30/2009

In a move to reach more consumers, USDA's Food Safety and Inspection Service has established a presence on the popular social networking service Twitter where it will post food safety announcements.

"FSIS is launching a Twitter presence to reach out to an audience that the agency might not be reaching through traditional means of communication such as news releases and other publications," FSIS said. It can be found at www.twitter.com/USDAFoodSafety.

FSIS also has launched new information feeds on its website that summarize recalls and news releases from the agency. Called RSS feeds, for Really Simple Syndication, they are available at:
http://www.fsis.usda.gov/News_&_Events/Feeds/index.asp.

FSIS already provides RSS feeds for a podcasting series on food safety focusing on meat, poultry and egg products. It invites consumers to send food safety questions to AskKaren.gov or call the toll-free USDA Meat and Poultry Hotline at 1-888-MPHotline (1-888-674-6854).



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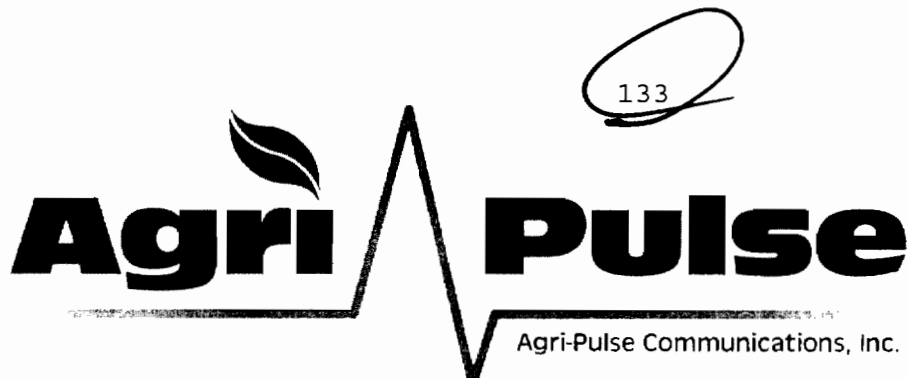
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Re: TwitterOriginally posted by **People B4 Politics**

Now if we could just get the FSIS to communicate consistently with (and between) the District Offices, Plant Inspection, the Tech Center (or its new name) and Industry.....

You are delusional. That means that one department would have to be on the same page.



03-27-09

Sec. Vilsack: \$52 mil. in grants to help farmers get greener

By Agri-Pulse Staff

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Comments due April 8; Proposals due April 23

Agriculture Secretary Tom Vilsack said Friday that a major USDA grants program “offers many opportunities to help landowners and operators seek new ways to remain profitable, such as participating in markets that reward them for sequestering carbon and limiting greenhouse gas emissions.” But to take advantage of the available \$52.4 million in competitive grants, hurry – the deadline is April 8th for comments, and April 23rd for submitting proposals.

Vilsack explained that the program is getting priority treatment because “President Obama is particularly interested in using partnerships to pursue innovative ways to increase our nation’s renewable energy production and reduce the effects of climate change and greenhouse gas emissions.”

The \$52.4 million in financial assistance to protect the nation’s natural resources is being provided through the Cooperative Conservation Partnership Initiative (CCPI). USDA has allocated \$5.8 million in financial assistance for multi-state and national projects that offer innovative approaches to working with socially disadvantaged, beginning or limited resource farmers and ranchers and help further enhance conservation outcomes on agricultural lands and private nonindustrial forest lands.

Proposals for state projects must be submitted to the USDA Natural Resources Conservation Service (NRCS) State Conservationist by April 23. Multi-state and national projects must be submitted to the Chief, USDA-NRCS National Office in Washington, D.C. by the same date. In addition, USDA is seeking comment on how CCPI can contribute toward new methods of renewable energy production and conservation, reduce the effects of climate change, and reduce net carbon and greenhouse gas emissions. Comments must be submitted by April 8.

Administered by NRCS, CCPI, a voluntary initiative, allows landowners and operators of agricultural and non-industrial private forest lands to use selected conservation programs and resources from eligible partners to put conservation on the land. Under this program, NRCS enters into multi-year agreements with eligible partners that want to enhance conservation on agricultural and non-industrial private forest lands. Partners include

federally recognized American Indian tribes, state and local units of governments, producer associations, farmer cooperatives, colleges and universities and non-governmental organizations with a history of working closely with producers. A producer's land must be located within an approved CCPI project area to be considered for financial assistance through CCPI. In fiscal year 2009, producers can apply for financial assistance through the Environmental Quality Incentives Program and the Wildlife Habitat Incentive Program. Individual producers cannot submit a partner proposal.

Additional details about the CCPI Request for Proposals and public comment period can be viewed at <http://www.gpoaccess.gov/fr/>

(From the Federal Register's main page, enter Cooperative Conservation Partnership Initiative in the Quick Search Box and submit). The information also can be obtained at the NRCS Web site at <http://www.nrcs.usda.gov/programs/farmbill/2008/index.html> and at the U.S. government regulation Web site <http://www.regulations.gov/search/index.jsp>

For additional information about CCPI, go to <http://www.nrcs.usda.gov/programs/ccpi/>

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'Dumbest criminal in Pennsylvania' arrested after allegedly trying robbery at police convention

By Associated Press

6:27 PM CDT, March 27, 2009

HARRISBURG, Pa. (AP) — A retired police chief said he was robbed by "probably the dumbest criminal in Pennsylvania," at a police officers' convention on Friday morning. John Comparetto said as he came out of a stall in the men's room, a man pointed a gun in his face and demanded money. There were 300 narcotics officers from Pennsylvania and Ohio at the gathering.

Comparetto gave up his money and cell phone. But when the man fled, Comparetto and some colleagues chased him. They arrested a 19-year-old man as he was trying to leave in a taxi.

The suspect is also awaiting trial on four previous robbery charges.

The suspect was arraigned and taken to Dauphin County Prison. When a reporter asked the suspect for comment as he was led out of court, he said, "I'm smooth."



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